Company Registration Number: 02401127

KENDRICK RESOURCES PLC

ANNUAL REPORT

29 DECEMBER 2022

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DIRECTORS AND ADVISERS

DIRECTORS
C Bird Chairman
M A Borrelli Non-Executive Director (appointed 9 February 2022)
K Thygesen Non-Executive Director
E Kirby – Non-Executive Director (appointed 9 February 2022)
M Churchouse – Managing Director (appointed 31 January 2023)

COMPANY SECRETARY
N A C Lott (appointed 9 February 2022)
M A Borrelli (resigned 9 February 2022)

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WEBSITE www.kendrickresources.com

Dear Shareholder

Kendrick Resources (the Company) despite strong global headwinds has made significant progress during the period under review and post reporting period.

Our main task post Admission to the Main Market of the London Stock Exchange ("Admission") was to assemble all of the reports and raw data generated by others during the history of the projects. This systematic data review often reduces the need for some expenditure and often one encounters work, which whilst relevant at the time, under new conditions could assume new relevance. This was the case in all of our projects and the Company has entered 2023 with many more opportunities, than immediately after Admission.

A review of our portfolio led to a potential contribution reranking, and it is evident that our nickel positions have short term opportunities and thus we carried out a full review of our nickel projects in Norway. The results of this review were that all of our nickel projects, without exception, present significant opportunity for extension, leading to resource increase and short-term mining potential.

The ownership of nickel sulphide licences can be considered a premium asset in a world of reducing sulphide availability against metallurgically very complex and financially challenging laterite projects. Our position is enhanced by a nickel price which is some three times higher than when the last serious nickel exploration occurred in our project area. We have carried out a drilling programme and by the time of this Chairman's report is disseminated, the results will be in the public domain.

Our vanadium activities in Sweden, were subjected to review and soil and grab sampling programmes were carried out and the prognosis is that the area, which now includes an additional two licences, may also be highly prospective for copper and graphite along with the known vanadium resource. The work carried out has given us high confidence that our proposed Spring drilling programme has the potential to double the current known resource of 44 million tonnes.

During the period under review, samples were sent to metallurgical laboratories in the UK, with a view to assessing whether the concentrate quality can be maintained, whilst increasing the actual recovery of the product. The results of this work to date, have been very encouraging and a full report should be available for market dissemination during the second quarter of 2023.

Vanadium Redox Flow Batteries continue to gain importance in the battery storage world, no loss of capacity over time, longer lifespan, cost effective and versatile, they offer a compelling alternative for static battery storage. Vanadium use in steel manufacturing is also increasing due to global implementation of new standards.

It is considered that the Airijoki Project in Northern Sweden, located in a well-established mining district that includes the largest underground iron ore mine in the World, justifies intense focus if the Company wishes to be a serious player in the rapidly emerging battery storage arena. The vanadium projects in central Sweden, whilst continuing to have potential, will not be so actively pursued for now mainly due to their relatively early stage of development when compared to the known resources at Airijoki.

Our activities in Finland have been of a more desktop review in nature, with the objective being the identification of targets and rationalisation of existing information.

CHAIRMAN'S STATEMENT

We have assembled a team of professionals who have the country and commodity experience to fast track our projects and consequently, since listing we have reduced our dependency on local consultants and to a large degree are independent in our project management.

We feel as we advance our project base, Kendrick will assume a position where its full market potential is realised. The projects, commodities and position in Scandinavia are unique and should gain the necessary recognition as the demand for new age metals advances as predicted. We have made few attempts to seek new acquisitions, since our current project base is considered to be of high quality, with the potential to significantly enhance shareholder value. In this regard, we have examined a number of opportunities consistent with our mission and I have little doubt that our presence in the region will give us advantage over others, as global commodity needs increase.

I would like to thank my fellow directors and team for their diligent work, in reviewing a massive data base, formulating a mid-term plan and implementing the initial components of the plant. We look forward to 2023 to be a year of positive advancement, which will reposition Kendrick in the eyes of the trade and investment market.

Results for the year

The Company reported a loss before taxation for the year of £1,043,000 (2021: £325,000) mainly due to administrative costs of £418,000 (2021: 289,000), including professional, consulting and directors' fees. And Listing related costs of £607,000 (2021:Nil). Net assets at 29 December 2022 amounted to £5,567,000 (2021: Net liabilities £236,000) including exploration and evaluation assets of £3,933,000 (2021: Nil) and cash of £1,818,000 (2021: 17,000).

AGM and Resolutions

The resolutions for the forthcoming Annual General Meeting will be contained in a separate Notice which will be made available to shareholders and on the website www.kendrickresources.com. The Directors will recommend shareholders to vote in favour of all the resolutions and a form of proxy will be dispatched to all shareholders for this purpose.

Colin Bird

Chairman

28 April 2023

INTRODUCTION

Kendrick Resources Plc was admitted to the Standard Segment of the Main Market of the London Stock Exchange ("Admission") on 6 May 2022 and its principal activity is that of mining exploration and development and it has nickel, vanadium and copper projects in Norway, Sweden and Finland (the "Projects").

The Directors are required to provide a year-end report in accordance with the Financial Conduct Authorities ("FCA") Disclosure Guidance and Transparency Rules ("DTR"). The Directors consider this Financial, Corporate and Operational Review along with the Chairman's Report, the Strategic Review and the Director's Report provides details of the important events which have occurred during the period and their impact on the financial statements as well as the outlook for the Company going forward.

The Company's strategy is to build a top tier energy metals production business focused on nickel, vanadium and copper mineral resources projects in Scandinavia and its short to medium term strategic objectives are to enhance the value of its mineral resource Projects through exploration and technical studies conducted by the Company or through joint venture or other arrangements with a view to establishing the Projects can be economically mined for profit. With a positive outlook for energy metals in Europe and energy security, the Directors believe that the Projects provide a base from which the Company can help Europe enable its energy transformation.

Operational Review

The period under review has been transformatory for the Company. On 6 May 2022, Kendrick completed an Initial Public Offering ("**IPO**") on Standard Segment of the Main Market of the London Stock Exchange ("**Admission**") and the acquisition of its projects in Sweden and Finland as well as an option over its projects in Norway (the "**Projects**"). The Norwegian option was exercised on 16 May 2022, more details of which are provided in the Corporate Highlights section of this review. Following the IPO, the Group undertook a thorough review of all its projects and licences and has made a number of appointments to manage operations and completed a review of all available technical information.

Figure 1. Map showing location of Kendricks' Scandinavian license portfolio.

Technical review of Projects: After the IPO and having acquired its projects in Sweden, Finland and exercised its option in relation to its Norwegian projects, the Company commenced technical reviews and / or programmes on its portfolio. The primary metal in the Swedish and Finnish projects is vanadium and nickel for the Norwegian projects.

Summary of Projects: The Projects are a portfolio of early to advanced stage exploration projects covering a combined area of 466.72 km2 in Scandinavia. The most advanced of these Projects are the Airijoki and Koitelainen vanadium projects in Sweden and Finland respectively. In addition the Company holds the following licences:

- Finland – the Karhujupukka vanadium-magnetite exploration project
- Sweden – the Kramsta, Kullberget, Simesvallen and Sumåssjön exploration projects in Sweden (collectively the "**Central Sweden Project**")
- Norway – the Espedalen, Hosanger, and Sigdal exploration nickel-copper-cobalt projects in Norway.

Both the Karhujupukka and Espedalen projects also support defined mineral resources prepared in accordance with the JORC Code (2012.) However, these remain subject to further techno-economic assessment. The remaining projects represent brownfield to greenfield exploration opportunities based on the results of historical activities, some with historical mineral estimates that are still to be updated to the requirements of the JORC Code (2012).

Norway Projects summary: The Company's review has identified significant opportunities within the nickel projects in Norway. The Director's believe this review and current nickel price forecasting means the Company is extremely well positioned with the Norwegian nickel assets. During the period Kendrick commenced the exercise of digitising and reassessing nickel ore resources, to direct future drilling programmes, towards early production. The nickel resources are demonstrating good grades and, in most cases, have accompanying copper and sometimes cobalt and a drilling programme was completed post period end in January – March 2023

Swedish & Finnish Projects summary:

The Swedish vanadium project is being prepared for an extension exploration drilling programme with a review of the historical technical-economic assessment on the more advanced Finnish licences. In reviewing the Airijoki project in Sweden, significant copper anomalism has been identified and will be tested as part of the ongoing technical review. Where present, copper is considered a valid exploration target and may complement any future vanadium mine development or could be a stand-alone deposit in its own right. The Company has engaged Wardell Armstrong International to carry out metallurgical test work in order to increase recoveries, whilst maintaining magnetite vanadium grade. The Company is preparing plans to conduct further test work to advance the processing to the end product vanadium electrolytes.

During the period the Company provided a number of updates in relation to the Project portfolio which are summarised below. Focused studies shone a positive light on the nickel assets, all of which show potential particularly as a significant amount of historic drilling, resource estimation and general exploration has generated a database that has never been properly assimilated and processed. This database has now been recognised to have significant additional financial and technical potential. The Company therefore re-ranked the nickel ahead of the vanadium projects based on the immediate opportunities that the nickel assets present to Kendrick.

HIGHLIGHTS:

Nickel projects

- Detailed review of the Norwegian Espedalen Ni-Cu Project including the Stormyra, Megrund and Dalen prospects.

- Relogging of the Stormyra Ni-Cu drillholes using an external recognised nickel expert has led to additional sampling of historical drill core that could potentially result in wider zones of mineralisation.

- Re-engagement and consultation with an engineering group to revisit a previous study for the design and high-level financial analysis of a bespoke processing plant capable of processing nickel ores mined at Espedalen and, subject to further evaluation, other nickel satellite projects located in central southern Norway in the Company's licence portfolio.

- Access has been granted to the Norwegian National Drill Core and Sample Centre for the cutting and sampling of Stormyra Prospect previously unsampled core identified by the Company's external nickel consultant to be potentially mineralised.

- Provisional infill and expansion drill programme proposal has been produced for the Stormyra deposit – as reported post year end this drill programme commenced in January 2023.

Vanadium – Copper projects

- Significant copper anomalies were identified at the Airijoki vanadium project that warranted an expansion of historic soil geochemical surveys and the application for additional licences for copper.

- Significant expansion of the Airijoki project area by the granting of two additional exploration licences Airijoki Nr 104 and Airijoki Nr 105 covering approximately 3,944.62ha and 2,176.51ha and initially valid for three years to 19 October 2025, which adjoin the existing 5 Airijoki licences which cover approximately 3,941ha, and provides tenure over an area of high prospectivity for both vanadium and copper.

- A historical copper soil anomaly with good continuity extends over a 7km length on the new licence Airijoki Nr 105 to be confirmed with a soil programme currently being planned for 2023.

- The Company is planning a drill campaign with the objective of increasing the existing Airijoki project resource which is only based on Airijoki Licence Nr 100 and is a 44.3 Mt Inferred mineral resource estimate containing 5.9 Mt of magnetite averaging 1.7% V_2O_5 (in magnetite concentrate), for 100,800 t of V_2O_5 based on 13.3% mass recovery of magnetite concentrate and a cut-off of 0.7% V_2O_5 compiled in accordance with JORC Code (2012).

- The large magnetic anomaly associated with the vanadium mineralisation continues onto the remaining three original licences presenting a drill-ready opportunity to significantly increase the vanadium resource.

- Soil programme has been extended to cover areas of the existing licences ahead of a proposed winter drill programme aimed at significantly increasing the vanadium mineral resource whilst adding copper to the Airijoki resource inventory.

- On Licence Airijoki Nr 104, immediately west of the original 4 licences, ground magnetic anomalies generated in the late 1960's have been found to be coincident with the recent copper soil anomalies suggesting a copper-rich target running parallel to the main vanadium-bearing bodies.

- The Airijoki project is located in an established mining district with rail links to deep-water port and upgraded roads to support neighbouring large-scale iron ore producers including Kiruna.

- Detailed review of the suite of vanadium licences in Sweden and Finland has confirmed and validated the findings of previous studies and the Company is developing a development plan to further assess potential.

  - A 1 tonne metallurgical sample for the Airijoki Vanadium-copper project has been shipped to the United Kingdom for Low Intensity Magnetic Separation ("LIMS") test work at a recognised laboratory.

  - Soil geochemistry over the Airijoki vanadium – copper licences Airijoki nr 101 – 104 & Airijoki nr 200 has been completed and samples were dispatched for analysis.

  - Detailed soil and rock chip sampling is specifically targeting copper following the discovery of widespread copper anomalism across the Airijoki block of licences. Targets of note include:
    - Airijoki nr 100: 2 copper anomalies reporting soil assays ranging from 1094 to 2442ppb over a 2.5km apparent strike.
    - Airijoki nr 101: 2 copper anomalies, the first approximately 2km in length and the second in the south of the licence reporting assays ranging from 1036 to 82500ppb, both coincident with underlying magnetic anomalies.
    - Airijoki nr102: 3 copper anomalies each reporting visible copper associated with the targets and assays ranging from 1036 to 82500ppb. A further area in the NW sector of the Licence was not previously soil sampled despite visible copper mineralisation.
    - Airijoki nr103: Anomalous in the N sector of the licence with side-spaced soil geochemistry returning assays ranging from 1036 to 82500ppb. Limited historic coverage over a number of magnetic anomalies in the southern half of the licence.
    - Airijoki nr200: Anomalous copper mineralisation in the southern sector of the licence potentially extending southwards onto licence nr100.

  - Copper in soils is prevalent across the suite of Airijoki licences and demonstrates good continuity considering the variable density of sampling undertaken historically. The block of licences covers an area of approximately 16km north – south by 7km east west with possible additions to the area under licence subject to recent licence applications.

  - Commencement of modelling and a review of the magnetic data from the Swedish Vanadium Exploration Licences to finalise drill hole locations is underway.

Vanadium projects

- Additional historic data has been unearthed for the Sumåssjön Project in central Sweden and a review has been commissioned from a Swedish consulting group ahead of agreeing a work programme.

- An interpretation of geophysical survey data collated over the Karhujupukka vanadium Project in Finland has been commissioned.

Airijoki – Metallurgical Test Work: The company has engaged Wardell Armstrong to carry out a second phase of metallurgical test work on drill samples from Airijoki with the objective of increasing the overall mass recovery of vanadium into a magnetite concentrate. The metallurgical sample is in the process of being shipped to the UK following which the test work will commence.

Finland

During the period the company completed a ground based fixed loop TEM survey at the Karhujupukka Ni- V_2O_5 exploration license. The aim of this survey was to identify anomalies with a high conductivity that may correspond to base metal mineralisation and will assist to zone in on the anomalies generated by the 391km airborne VTEM geophysical survey conducted between 2012 and 2014. This program will be followed up with a ground-based IP survey in the summer of 2023 and the results from these surveys will determine the next steps with respect to this license.

Financial Review

Financial highlights:

- £1.04m loss before tax (2021: £325K)
- Approximately £1.818m cash at bank at the period end (Dec 2021: £17k).
- The loss per share of 0.68 pence (2021: loss 2.90 pence) has been calculated on the basis of the loss of £1,043,466 (2021: loss £325,000) and on 153,882,205 (2021: 11,190,363) ordinary shares, being the weighted average number of ordinary shares in issue during the year ended 29 December 2022.
- The net asset value as at period end was £5.57m (29 December 2021 (£236k))

Fundraisings and issues of shares

At Admission, the Company through a fundraise raised £3,250,000 (before expenses) (the "**Fundraise**") through the issue of 92,857,143 new ordinary shares in the capital of the Company ("**Ordinary Shares**") at 3.5 pence per Ordinary Share (the "**Fundraising Price**") to the subscribers to the Fundraising (the "**Placees**") and the issue of 92,857,143 warrants to the Placees with an exercise price of £0.06 per Ordinary Share, exercisable for 3 years from Admission (the "**Fundraising Warrants**")
The funds raised on Admission provided the Group with sufficient money to undertake the exploration and assessment of the Company's projects in Sweden, Finland and Norway. Details of these work programmes are set out in the Company's Prospectus dated 29 April 2022.

On 20 December 2020, the Company executed a £210,000 unsecured convertible loan note instrument (the "**December 2020 Convertible Loan Note**") and received subscriptions of £210,000 in respect of this loan note from private investors. The December 2020 Convertible Loan Note does not pay interest and was repaid at the IPO by the issue of 10,000,000 Ordinary Shares at a 40% discount to the Placing Price.

On 2 July 2021, the Company executed a £350,000 unsecured convertible loan note instrument (the "**July 2021 Convertible Loan Note**") and received subscriptions of £350,000 in respect of this loan note from private investors including £30,000 from Kjeld Thygesen and £48,000 from Colin Bird, who are directors of the Company. The July 2021 Convertible Loan Note did not pay interest and was repaid at the IPO by the issue of i) 13,333,333 Ordinary Shares at a 25% discount to the Placing Price of which 1,142,857 were issued to Kjeld Thygesen and 1,828,571 to Colin Bird and ii) one (1) warrant for each Ordinary Share issued to the noteholders at a strike price of the Placing Price. The 13,333,333 warrants will be valid for a period of 18 months from Admission and 1,142,857 of the warrants will be issued to Kjeld Thygesen and 1,828,571 to Colin Bird.

On 15 November 2021, the Company executed a £150,000 unsecured convertible loan note instrument which was, with the consent of the noteholders, subsequently increased to £150,000 (the "**November 2021**

Convertible Loan Note") and received subscriptions of £119,500 in respect of this loan note from private investors including £37,000 from Lion Mining Finance Ltd, a company controlled by Colin Bird, a director of the Company. The November 2021 Convertible Loan Note does not pay interest and was repaid at Admission by the issue of i) 4,552,381 New Ordinary Shares at a 25% discount to the Placing Price of which 1,409,524 were issued to Lion Mining Finance Ltd and ii) one (1) warrant for each Ordinary Share issued to the noteholders at a strike price of the Placing Price. The 4,552,381 warrants are valid for a period of 18 months from the IPO and 1,409,524 of the warrants were issued to Lion Mining Finance Ltd.

At Admission, 9,721,254 Ordinary Shares were issued at the Placing Price to settle fees due by the Company of which 4,528,571 Ordinary Shares were issued to Colin Bird to settle £158,500 of accrued unpaid fees.

On 16 May 2022 the Company announced it had exercised the EMX Option Agreement and on 12 August 2022 that the Company that it has completed the acquisition of the Espedalen, Hosanger, and Sigdal nickel-copper-cobalt exploration projects in Norway (the "**Norwegian Projects**") from EMX Scandinavia AB (previously named Eurasian Minerals Sweden AB) ("EMX"). The consideration paid to EMX for the exercise of the option during the period was U$81,949 and the issue of 20,226,757 Ordinary Shares.

Corporate Review

Company Board: The Board of the Company at the date of this report comprises Colin Bird, Executive Chairman, Martyn Churchouse Managing Director and Non- executive directors Kjeld Thygesen, Evan Kirby and Alex Borrelli.

Admission: The Company was admitted to the Official List (Standard Segment) and commenced trading on the Main Market for listed securities of the London Stock Exchange on 6 May 2022.

On 18 January 2021, a binding sales agreement (the "**Binding Sales Agreement**") was signed between Pursuit Minerals Limited and Lion Mining Finance Limited (a company controlled by Colin Bird, as agent for Camden Park Trading FZE-LLC, a company also controlled by Colin Bird).

On 20 January 2021, the Company was assigned the Binding Sales Agreement by Lion Mining Finance Ltd and Camden Park Trading Limited (the "**Assignment Agreement**"). The Assignment Agreement was conditional on the completion of the Binding Sales Agreement and at Admission the consideration due under the Assignment Agreement was £802,000 of which £52,000 is to be settled in cash and £750,000 was settled by the issue of 35,714,285 Ordinary Shares in the Company at an issue price of 2.1 pence per Ordinary Share.

Pursuant to the Assignment Agreement, at Admission the Company acquired the following:

1. 100% of Northern X Finland Oy ("Northern X Finland"), which owns in Finland the Koitelainen vanadium projects which hosts a defined Mineral Resource as defined by the JORC Code (2012) and the Karhujupukka vanadium-magnetite exploration project ("**Finnish Projects**");

2. 100% of Northern X Scandinavia AB ("Northern X Scandinavia") which owns in Sweden the Airijoki and vanadium project (the "Airijoki Project") which hosts a defined Mineral Resource as defined by the JORC Code (2012) and the Kramsta, Kullberget, Simesvallen and Sumåssjön exploration projects in Sweden (collectively known as the "Central Sweden Projects") (the Airijoki Project and the Central Sweden Projects are collectively the "**Swedish Projects**"); and

3. an exploration and option agreement to acquire from Eurasian Minerals Sweden AB the Norwegian Projects (the "**EMX Option Agreement**")

Under the terms of the Binding Sales Agreement as subsequently amended the consideration payable to Pursuit Minerals was as follows:

(i) A$50,000 cash paid on execution of the Binding Sales Agreement;
(ii) £1,475,000 satisfied through the issue of 42,142,857 Ordinary Shares;
(iii) A$250,000 in cash on the Company's completion of a feasibility study on any of the individual project areas in the Tenements that demonstrate an internal rate of return of not less than 25%; and
(iv) A$500,000 in cash upon a decision by the Company to mine in any individual project area in the projects acquired from Pursuit Minerals.

On 20 January 2021, the Company was assigned the Binding Sales Agreement by Lion Mining Finance Ltd and Camden Park Trading Limited, companies controlled by Colin Bird, (the "**Assignment Agreement**"). The Assignment Agreement was conditional on the completion of the Binding Sales Agreement and at the IPO the consideration due under the Assignment Agreement was £802,000 of which £52,000 is to be settled in cash and £750,000 was settled by the issue of 35,714,285 Ordinary Shares in the Company at an issue price of 2.1 pence per Ordinary Share.

Post IPO Corporate Acquisitions

On 12 August 2022 the Company announced that it has completed the acquisition of the "Norwegian Projects" from EMX Scandinavia AB (previously named Eurasian Minerals Sweden AB) ("EMX") by acquiring Caledonian Minerals AS. The consideration paid to EMX for the exercise of the option was U$81,949 and the issue of 20,226,757 Ordinary Shares ("**EMX Option Shares**"). On or before 27 April 2023, the Company had to issue to EMX or its nominee the number of shares which is the lower of i) the number of shares which would increase EMX's shareholding to 9.9% of the Company's then issued share capital and ii) the number of shares whose value based on the then 5-day VWAP equals 20,000,000 of the shares issued at closing of the acquisition (the "Established Value") divided by the 5 day VWAP at the date of issue of these shares (the "**2023 EMX Shares"**). On 24 April 2023 the Company announced it had issued a further 4,144,395 new ordinary shares in accordance with the EMX Option Agreement to meet its obligation to issue the 2023 EMX Shares.

Lock Up and Orderly Market arrangements at IPO:

At Admission the Directors and their related parties, in aggregate, held 47,294,860 Ordinary Shares, representing 21.62% of the Enlarged Share Capital. The Directors agreed with the Company and Novum Securities Limited ("**Novum**") its Joint Broker, except for certain standard exceptions, not to dispose of any interest in the Ordinary Shares held by them for a period of 12 months following Admission (Lock-In Period) and then for the following 12 months not to dispose of their Ordinary Shares without first consulting the Company and Novum in order to maintain an orderly market for the Shares.

The 42,142,857 Ordinary Shares issued to Pursuit Minerals have not been sold as at the date of this report and are subject to the following remaining lock up and orderly market arrangements.

No. of shares	Lock up
8,928,571	Until 5 May 23
8,928,571	Until 5 Nov 23

Of the 26,341,952 shares issued on 20 April 2023 pursuant to the EMX Option Agreement, 50% are subject to a three-month voluntary escrow from issue and the balance of 50% subject to a six-month voluntary escrow.

Strategy Review

The Company is looking to build a long-term energy metals business in Scandinavia which delivers energy metals to Europe to help enable its renewable energy transformation by building a top tier energy metals production business focused on quality vanadium and nickel mineral resources in Scandinavia. The Company's short to medium term strategic objectives are to enhance the value of its mineral resource projects through exploration and technical studies conducted by the Company or in conjunction with other parties with a view to establishing these projects so they can be economically mined for profit. With a positive global outlook for energy metals, the Directors believe that its projects provide a base from which the Company will seek to add significant value through the application of structured and disciplined exploration.

The Company may in the future, if such opportunity arises, acquire other mineral resource projects whose value can similarly be enhanced. Further projects may be considered where assets in strategic commodities are either: (i) geologically prospective but undervalued; (ii) where technical knowledge and experience could be applied to add or unlock upside potential; (iii) where the assets may be synergistic to the current portfolio; or (iv) where project diversification will add strategic growth opportunities within an appropriate time frame.

Outlook

The review of the Company's projects acquired at Admission has given Directors confidence that the north European assets are well located with significant potential in the quickly emerging space of energy generation and storage.

Inflation and the cost of living, are now front and center of financial headlines. This has already slowed down major stock markets but may be good for the small mines sector since as, historically they have been seen to outperform.

The Board remains confident they have assembled an enviable portfolio of projects and look forward to advancing all our projects in the second half and providing our shareholders with the prospects of enhanced value flowing into next year.

The Directors present their strategic report for the year ended 29 December 2022.

PRINCIPAL ACTIVITIES

The Company's principal activity is that of mining exploration and development and the company has nickel, vanadium and copper projects in Scandinavia.

GOING CONCERN

As disclosed in Note 3, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least, but not limited, 12 months from the date of approval of the financial statements. For these reasons, the Directors continue to adopt the going concern basis in preparing the financial statements.

ENERGY CONSUMPTION

The Company consumed less than 40MWh during the period and as such is a Low Energy User as defined in the Environmental Reporting Guidelines Including streamlined energy and carbon reporting guidance March 2019 (Updated Introduction and Chapters 1) and as such is not required to provide detailed disclosures of energy and carbon information.

PROMOTION OF THE COMPANY FOR THE BENEFIT OF THE MEMBERS AS A WHOLE

The Directors believe they have acted in the way most likely to promote the success of the Company for the benefit of its members, as required by s172 of the Companies Act 2006 as detailed below.

The requirements of s172 are for the Directors to:

- Consider the likely consequences of any decision in the long term.
- Act fairly between the members of the Company,
- Maintain a reputation for high standards of business conduct,
- Consider the interests of the Company's employees,
- Foster the Company's relationships with suppliers, customers, and others, and
- Consider the impact of the Company's operations on the community and the environment.

Our Board of Directors remain aware of their responsibilities both within and outside of the Group. Within the limitations of a Group with so few employees we endeavour to follow these principles, and examples of the application of the s172 are summarised and demonstrated below.

The Company operates as a mining exploration and development company which is speculative in nature and at times may be dependent upon fund-raising for its continued operation. The nature of the business is well understood by the Company's members, employees and suppliers, and the Directors are transparent about the cash position and funding requirements.

The Company is investing time in developing and fostering its relationships with its key suppliers.

As a mining exploration company with future operations based in Scandinavia, the Board takes seriously its ethical responsibilities to the communities and environment in which it works.

The interests of future employees and consultants are a primary consideration for the Board, and we have introduced an inclusive share-option programme allowing them to share in the future success of the company. Personal development opportunities are encouraged and supported.

KEY PERFORMANCE INDICATORS

Key performance indicators for the Group as a measure of financial control are as follows:

	Year ended 29 December 2022	*Year ended 29 December 2021*
	£	£
Total assets	**5,851,611**	**885,096**
Net assets/ (liabilities)	**5,567,673**	**(236,363)**
Cash and cash equivalents	**1,817,706**	**16,871**
Trade and other payables	**(247,673)**	**(441,959)**
Loss before tax for the year	**(1,047,357)**	**(324,986)**

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is subject to various risks similar to all exploration companies operating in overseas locations relating to political, economic, legal, industry and financial conditions, not all of which are within its control. The Company identifies and monitors the key risks and uncertainties affecting the Company and runs its business in a way that minimises the impact of such risks where possible.

The following risks factors, which are not exhaustive, are particularly relevant to the Company's current and future business activities:

Licensing and title risk

Governmental approvals, licences and permits are, as a practical matter, subject to the discretion of the applicable governments or government offices. The Company must generally and specifically in relation to future projects comply with known standards, existing laws and regulations that may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and the interpretation of the laws and regulations by the permitting authorities. New laws and regulations, amendments to existing laws and regulations, or more stringent enforcement could have a material adverse impact on the Company's result of operations and financial condition. The Company's exploration activities are dependent upon the grant of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitation.

There is a risk that negotiations with the relevant government in relation to the renewal or extension of a licence may not result in the renewal or grant taking effect prior to the expiry of the previous licence and there can be no assurance as to the terms of any extension, renewal or grant. This is a risk that all resource companies are subject to, particularly when their assets are in emerging markets. The Company continually seeks to do everything within its control to ensure that the terms of each licence are met and adhered to.

Dependency on key personnel

Kendrick's management comprises a small team of experienced and qualified executives. The Directors believe that the loss of any key individuals in the team or the inability to attract appropriate personnel could impact Kendrick's performance.

Although Kendrick has entered into contractual arrangements to secure the services of its key personnel, the retention of these services and the future costs associated therewith cannot be guaranteed.

Royalty arrangement and the Kabwe plant

As reported in the 2020 accounts Jubilee Metals Group PLC ("Jubilee") is the sole operator of the Kabwe Project and has full control of the execution methodology. In addition, Jubilee has agreed to fund the Kabwe Project by way of debt finance without dilution to Kendrick's shareholding which amounted to a fixed 11 % and has been converted to an 11 % royalty. Jubilee is currently actively engaged in copper refining through its purpose-designed refinery at Kabwe. The zinc price has been extremely volatile and the zinc tailings at Kabwe may be metallurgically complex, giving way to copper production, being the best alternative to the refinery. Against the aforementioned, the Board has no expectation of any royalty income in the midterm.

Legal risk

The legal systems in the countries in which Kendrick's operations are currently and prospectively located are different to that of the UK. This could result in risks such as: (i) potential difficulties in obtaining effective legal redress in the courts of such jurisdictions, whether in respect of a breach of law or regulation, or in an ownership dispute; (ii) a higher degree of discretion on the part of governmental authorities; (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations; (iv) inconsistencies or conflicts between and within various laws, regulation, decrees, orders and resolutions; and (v) relative inexperience of the judiciary and courts in such matters.

In certain jurisdictions the commitment of local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain. In particular, agreements in place may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that joint ventures, licences, licence applications or other legal arrangements will not be adversely affected by the actions of government authorities or others and the effectiveness of and enforcement of such arrangements in these jurisdictions cannot be assured.

Liquidity and financing risk

Although the Directors consider that Kendrick has sufficient funding in place, there can be no guarantee that further funding will be available and on terms that are acceptable to Kendrick should additional costs or delays arise. Nor can there be any guarantee that the additional funding will be available to allow Kendrick to obtain and develop additional projects in the necessary timeframe.

The Directors review Kendrick's funding requirements on a regular basis, and take such action as may be necessary to either curtail expenditures and / or raise additional funds from available sources including asset sales and the issuance of debt or equity.

Governmental approvals, licences and permits

Governmental approvals, licences and permits are, as a practical matter, subject to the discretion of the applicable governments or government offices. Kendrick must comply with known standards and existing laws and regulations, any of which may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and the interpretation of the laws and regulations by the permitting authorities. Delays in granting such approvals, licences and permits, new laws and regulations, amendments to existing laws and regulations, or more stringent enforcement could have a material adverse impact on Kendrick's result of operations and financial condition. Kendrick's activities are dependent upon the grant of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitation.

There is a risk that negotiations with the relevant government in relation to the renewal or extension of a licence may not result in the renewal or grant taking effect prior to the expiry of the previous licence and there can be no assurance as to the terms of any extension, renewal or grant.

Liability and insurance
The nature of Kendrick's business means that Kendrick may be exposed to potentially substantial liability for environmental damages. There can be no assurance that necessary insurance cover will be available to Kendrick at an acceptable cost, if at all, nor that, in the event of any claim, the level of insurance carried by Kendrick now or in the future will be adequate.

Kendrick's operations are also subject to environmental and safety laws and regulations, including those governing the use of hazardous materials. The cost of compliance with these and similar future regulations could be substantial and the risk of accidental contamination or injury from hazardous materials with which it works cannot be eliminated. If an accident or contamination were to occur, Kendrick would likely incur significant costs associated with civil damages and penalties or criminal fines and in complying with environmental laws and regulations. Kendrick's insurance may not be adequate to cover the damages, penalties and fines that could result from an accident or contamination and Kendrick may not be able to obtain adequate insurance at an acceptable cost or at all.

Currency risk
The Company expects to present its financial information in Sterling although part or all of its business may be conducted in other currencies. As a result, it will be subject to foreign currency exchange risk due to exchange rate movements which will affect Kendrick's transaction costs and the translation of its results. The majority of the payments were in Euros and SEK (Swedish Korna), but while there were significant fluctuations in the year the payments were not significant at this early stage as there were limited operations.

Economic, political, judicial, administrative, taxation or other regulatory factors
Kendrick may be adversely affected by changes in economic, political, judicial, administrative, taxation or other regulatory factors, in the territories in which Kendrick will operate particularly in the Scandinavian region. .

Taxation
Any change in Kendrick's tax status or the tax applicable to holding Ordinary Shares or in taxation legislation or its interpretation, could affect the value of the investments or assets held by the Company, which in turn could affect Kendrick's ability to provide returns to Shareholders and/or alter the post-tax returns to Shareholders. Statements in this document concerning the taxation of Kendrick and its investors are based upon current tax law and practice which may be subject to change.

Approved by the Board of Directors and signed on behalf of the Board.

C Bird
Chairman

28 April 2023

Colin Bird

Executive Chairman Colin is a chartered mining engineer and a Fellow of the Institute of Materials, Minerals and Mining with more than 40 years' experience in resource operations management, corporate management, and finance. Colin has multi commodity mine management experience in Africa, Spain, Latin America and the Middle East. He has been the prime mover in a number of public company listings in the UK, Canada and South Africa. His most notable achievement was founding Kiwara Resources Plc and selling its prime asset, a copper property in Northern Zambia, to First Quantum Minerals for US$260 million in November 2009.

Other current directorships

Includes African Pioneer Plc, Bezant Resources Plc, Bird Leisure and Admin (Pty) Ltd, Galileo Resources Plc, Galileo Resources South Africa (Pty) Ltd, Glenover Phosphate (Pty) Ltd, Holyrood Platinum (Pty) Ltd, , Lion Mining Finance Ltd, , Mitte Resources Investment Ltd, New Age Metals Inc, , Revelo Resources Corp, Sandown Holdings , Shamrock Holdings Inc.,Tiger Resource Finance Plc, Umhlanga Lighthouse Café CC, ,Virgo Business Solutions (Pty) Ltd and Xtract Resources Plc.

Former directorships in the last 5 years

1 Braemore Resources Ltd, Camel Valley Holdings Inc, Crocus-Serv Resources (Pty) Ltd, Dullstroom Plats (Pty) Ltd , Enviro Mining Ltd , Enviro Processing Ltd, Enviro Props Ltd, Galagen (Pty) Ltd, Kabwe Operations Mauritius, Maude Mining & Exploration (Pty) Ltd, NewPlats (Tjate) (Pty) Ltd, Newmarket Holdings, Tjate Platinum Corporation (Pty) Ltd, Windsor Platinum Investments (Pty) Ltd, Windsor SA Pty Ltd, Tara Bar and Restaurant CC, Add X Trading 810 CC, Afminco (Pty) Ltd, Dialyn Café CC, Emanual Mining and Exploration (Pty) Ltd, Europa Metals Ltd, Isigidi Trading 413 CC, Jubilee Metals Group Plc, Jubilee Smelting & Refining (Pty) Ltd, Jubilee Tailings Treatment Company (Pty) Ltd , M.I.T. Ventures Group, Mokopane Mining & Exploration (Pty) Ltd, NDN Properties CC, Orogen Gold Plc, Pilanesberg Mining Co (Pty) Ltd, Pioneer Coal (Pty) Ltd, PowerAlt (Pty) Ltd, SacOil Holdings Ltd and Sovereign Energy Plc, Thos Begbie Holdings (Pty) Ltd)

Martyn Churchouse: (appointed 31 January 2023)

Martyn Churchouse is a Geologist and consultant with over 40 years' experience working in the mining industry. He graduated from the University of London with a BSc in Geology and also has a MSc in Mining & Exploration from the Camborne School of Mines. Martyn has had experience as a board director and founder of many AIM listed mining and resource companies. Since the beginning of 2022 Martyn has been a consultant to an exploration company with oversight of exploration and mine development programmes covering multiple targets and resources on the African sub-continent.

Other current directorships

Bybrook Community Concierge Ltd, Ford Flyfishers Limited and M Churchouse Consultancy Limited.

Former directorships in the last 5 years

Caerus Mineral Resources Plc and New Cyprus Copper P.A. Ltd

Kjeld Thygesen

Non-Executive Director Kjeld Thygesen is a mining investment veteran of more than 45 years. After being a mining analyst at James Capel in the latter half of the 1970's he was manager of the commodities department at Rothschild Asset Management between 1980-89. In 1990 he formed Lion Resource Advisors as a specialist adviser in the mining and natural resource sectors. LRA was the advisor to the Midas Fund in the US between 1992 -2000, which was one of the top performing funds during that period. From 2002-2008 he was Investment director of Resources Investment Trust, a London listed investment trust which returned a threefold investment during that period. He has served on several mining company boards over the past twenty years.

Alex Borrelli

Non-Executive Director Alex Borrelli, FCA, initially studied medicine and then qualified as a chartered accountant with Deloitte, Haskins & Sells, London in 1982. He then worked in corporate finance at Guinness Mahon, Samuel Montagu and as a corporate finance and main board director at Charterhouse. His subsequent investment banking business included nine years as Head of Corporate Finance and AIM Nomad qualified executive at Shore Capital. He has acted on a wide variety of corporate transactions in a senior role for over 20 years, including flotations, takeovers, mergers, and acquisitions for private and quoted companies. For the last 15 years, he has been acting as chairman and director of various listed companies, including AIM-listed Greatland Gold PLC, Tiger Royalties and Investments PLC, Bradda Head Lithium Limited and Red Rock Resources PLC.

Evan Kirby

Dr Kirby, aged 72, is a metallurgist with over 40 years of international involvement. He worked initially in South Africa for Impala Platinum, Rand Mines and then Rustenburg Platinum Mines. Then in 1992, he moved to Australia to work for Minproc Engineers and then Bechtel Corporation. After leaving Bechtel in 2002, he established his own consulting company to continue with his ongoing mining project involvement. Evan's personal "hands on" experience covers the financial, technical, engineering and environmental issues associated with a wide range of mining and processing projects.

Other current directorships

Technical director of Jubilee Metals Group PLC (Aim listed), Non-executive director of Europa Metals Ltd (listed on AIM and AltX of the JSE), and Director of private companies, Metallurgical Management Services Pty Ltd, and Bezant Resources Plc

Former directorships in the last 5 years

Balama resources Pty Ltd, New Energy Minerals Limited (formerly Mustang Resources Limited and ASX listed).

This Directors' Remuneration Report sets out the Group's policy on the remuneration of Directors, together with details of Directors' remuneration packages and service contracts for the year ended 29 December 2022.

The Company's policy is to maintain levels of remuneration to attract, motivate, and retain Directors and Senior Executives of the highest calibre who can contribute their experience to deliver industry-leading performance with the Company's operations. The Company is nonetheless mindful of the need to balance this objective with the fact that it is pre-revenue.

Since listing on 6 May 2022, the Company's Directors have largely remunerated through a combination of modest salaries and/or fees and where relevant, equity positions as founders and as a result the total salaries and fees payable to directors has been relatively modest.

As the Company grows, and increasingly makes hires, it will become necessary to move to a more long-term and sustainable policy, which continues to align the interests of Directors and senior staff with those of shareholders while recognising that new hires will not initially have a significant equity position.

Accordingly, it is likely that compensation packages for Executive Directors will need to move over time to a level more consistent with the market. Currently, Directors' remuneration is not subject to specific performance targets. The Company is sufficiently small that the Board does not consider that it is necessary to impose such targets as a matter of principle but believes that exceptional performance can be rewarded on an ad hoc basis.

As outlined in last year's Directors Remuneration Report the Board proposed and shareholders approved at the 2021 AGM a share option scheme which is to incentivise both Executive and non-Executive Directors as well individuals holding positions of responsibility in the Company ("**Share Option Scheme"**). On 2 February 2023 the Company announced that pursuant to the Share Option Scheme 22,550,000 options over Ordinary Shares ("Options") were awarded, 13,750,000 of the Options were awarded to directors of the Company, as detailed further in Note 23 and the balance of 8,800,800 Options to other eligible participants. The Company had not previously issued any Options.

The 2022 GM also approved the Company establishing new incentive schemes to more closely align the interest of directors, officers, employees and consultants with those of shareholders by providing for the payment of short-term, annual and transaction incentive awards in cash or Company shares (the "**Proposed Incentive Schemes**"). Awards under the Proposed Incentive Schemes are not intended to replace the Share Option Scheme arrangements and the Proposed Incentive Schemes, shall continue in place until the Board of the Company have put an alternative incentive scheme to the Company's shareholders which the Company's shareholders have approved.

The Board considers the remuneration of Directors and senior staff and their employment terms and makes recommendations to the Board of Directors on the overall remuneration packages. No Director takes part in any decision directly affecting their own remuneration.

There has been no correspondence to date from shareholders relating to Directors' remuneration matters and therefore no such matters have been considered by the Board in formulating the Company's remuneration policy.

In determining Executive Director remuneration policy and practices, the Board aims to address the following factors:

- **Clarity** - remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce;
- **Simplicity** - remuneration structures should avoid complexity and their rationale and operation should be easy to understand;
- **Risk** - remuneration arrangements should ensure reputational and other risks from excessive rewards, and risks that can arise from target-based incentive plans, are identified and mitigated;
- **Predictability** - the range of possible values of rewards to individual directors and any other limits or discretions are identified and explained at the time of approving the policy;
- **Proportionality** – the clarity of the link between individual awards, the delivery of strategy and the long-term performance of the company should be clear; and
- **Alignment to culture** - incentive schemes, when implemented will drive behaviours consistent with company purpose, values and strategy

Directors' remuneration

Remuneration of the Directors for the years ended 29 December 2022 and 2021 was as follows:

	2022	**2021**
	Total Emoluments £	**Total Emoluments £**
C Bird	**51,000**	60,000
K Thygesen	**18,000**	-
M A Borrelli	**16,015**	-
E Kirby	**12,000**	-
M. Churchouse (appointed 31 January 2023)	**-**	-
Total	**97,015**	60,000

M A Borrelli resigned as a director on 8 October 2020 and was reappointed on 9 February 2022. He was paid £1,315 for providing corporate and company secretarial services during 2022 (2021: 16,000). Note 20 provides details of Director's Letters of Appointment and Service Agreements.

Pension arrangements

There were no pensions or other similar arrangements in place with any of the Directors during the years ended 29 December 2022 or 2021.

Directors' Interests

The interests (as defined in the Companies Act) of the Directors holding office during the period to date in the share capital are shown below:

	29 December 2022		29 December 2021	
Director	Number of Ordinary Shares	Percentage of issued ordinary share capital	Number of Ordinary Shares	Percentage of issued ordinary share capital
Colin Bird*	45,069,227	18.80%	16,875	0.15%
Kjeld Thygesen	2,142,857	0.89%	-	-
Alex Borrelli	82,777	0.03%	82,777	0.74%
Evan Kirby	-	-	-	-

* Includes 3,695,238 shares held by Lion Mining Finance Ltd and 33,428,571 shares held by Camden Park Trading Ltd, companies controlled by Colin Bird

No warrants were issued to Directors in 2021, at Admission the warrants in the table below over ordinary shares in the issued share capital of the Company were issued to Directors in office at the period end had not been exercised:

Director	Number of Warrants	Exercise price (p)	Expiry
Colin Bird			
Fundraising Warrants	1,571,400		
Convertible Note Warrants *	3,238,095	3.5	6 Nov 2023
Kjeld Thygesen			-
Fundraising Warrants	1,000,000		
Convertible Note Warrants	1,142,857	3.5 pence	6 Nov 2023
Alex Borrelli	-	-	-
Evan Kirby	-	-	-
Martyn Churchouse	-	-	-

* Includes 1,409,524 Convertible Note Warrants issued to Lion Mining Finance Limited a company controlled by Colin Bird

Other than as set out above, none of the Directors as at 29 December 2022 held any interest in shares of the Company during the year.

This report was approved by the Board on 28 April 2023 and signed on its behalf by:

C Bird
Chairman

28April 2023

The Company is managed under the direction and supervision of the Board of Directors. Among other things, the Board sets the vision and strategy for the Company in order to effectively implement the Company's business model.

Good corporate governance creates shareholder value by improving performance while reducing or mitigating risks that the Company faces as we seek to create sustainable growth over the medium to long-term. It is my role as Chairman to lead the Board effectively and to oversee the adoption, delivery and communication of the Company's corporate governance model.

The Listing Rules to require all companies admitted to the Standard Segment of the FCA's Official List to adopt and comply with a recognised corporate governance code, the Board has adopted the Quoted Companies Alliance Corporate Governance Code (the "Code"). It was decided that the Code was more appropriate for the Company's size and stage of development than the more prescriptive Financial Reporting Council's UK Corporate Governance Code.

The Company will hold timely board meetings as issues arise which require the attention of the Board. The Board is responsible for the management of the business of the Company, setting the strategic direction of the Company and establishing the policies of the Company. It is the Directors' responsibility to oversee the financial position of the Company and monitor the business and affairs of the Company, on behalf of the Shareholders, to whom they are accountable. The primary duty of the Directors is to act in the best interests of the Company at all times. The Board also addresses issues relating to internal control and the Company's approach to risk management and has formally adopted an anti-corruption and bribery policy.

The Directors have established an audit committee and a remuneration committee with formally delegated duties and responsibilities. There is no separate Nomination Committee given the size of the Board and, during the year, no such committee met. All Director appointments are approved by the Board as a whole.

Evan Kirby and Kjeld Thygesen are considered by the Board to be independent Non-Executive Directors.

Audit committee

The audit committee, which currently comprises Alex Borrelli (Chairman of the Audit Committee), Evan Kirby and Kjeld Thygesen and has the primary responsibility for monitoring the quality of internal control and ensuring that the financial performance of the Company is properly measured and reported on and for reviewing reports from the Company's auditors relating to the Company's accounting and internal controls. The committee is also responsible for making recommendations to the Board on the appointment of auditors and the audit fee and for ensuring the financial performance of the Company is properly monitored and reported. The audit committee will meet not less than three times a year.

Remuneration committee

The remuneration committee, which currently comprises Evan Kirby (Chairman of the Remuneration Committee), Kjeld Thygesen and Alex Borrelli and is responsible for the review and recommendation of the scale and structure of remuneration for senior management, including any bonus arrangements or the award of share options with due regard to the interests of the Shareholders and the performance of the Company.

Share Dealing Code

The Company has adopted, with effect from Admission, a share dealing policy regulating trading and confidentiality of inside information for the Directors and other persons discharging managerial responsibilities (and their persons closely associated) which contains provisions appropriate for a company whose shares are admitted to trading on the Official List (particularly relating to dealing during closed periods which will be in line with the Market Abuse Regulation). The Company will take all reasonable steps to ensure compliance by the Directors and any relevant employees with the terms of that share dealing policy.

Meetings of the Directors

The number of meetings of the board of directors of the Company and its committees held during the year ended 29 December 2022 and the number of meetings attended by each director is tabled below. The audit committee was formed on 6 May 2022 prior to the Company's listing on the London Stock Exchange

2022

	Meetings whilst in office		No. of meetings attended	
	Board	Audit	Board	Audit
C. Bird	2	-	2	-
M.A. Borrelli *	2	1	2	1
E. Kirby	2	1	2	1
K Thygesen *	2	1	2	1
M Churchouse **	-	-	-	-

* Appointed 9 February 2022
** Appointed 31 January 2023

Diversity Policy

The Board operates a policy whereby Directors and other individuals considered for employment and professional services across the Group are selected on the basis of their experience, professional qualifications and ability and a such the Company does not discriminate on aspects such as age, gender or educational and professional background.

The Company's employees comprising of the 5 Board Directors are all male.

Internal control

The Board is responsible for establishing and maintaining the Group's system of internal control. Internal control systems manage rather than eliminate the risks to which the Group is exposed and such systems, by their nature, can provide reasonable but not absolute assurance against misstatement or loss.

There is a continuous process for identifying, evaluating and managing the significant risks faced by the Group. The key procedures which the Directors have established with a view to providing effective internal control, are as follows:

¨Identification and control of business risks The Board identifies the major business risks faced by the Group and determines the appropriate course of action to manage those risks.

¨ Budgets and business plans Each year the Board approves the business plan and annual budget. Performance is monitored and relevant action taken throughout the year through the regular reporting to the Board of changes to the business forecasts.

¨ Investment appraisal Capital expenditure is controlled by budgetary process and authorisation levels. For expenditure beyond specified levels, detailed written proposals must be submitted to the Board. Appropriate due diligence work is carried out if a business or asset is to be acquired.

Environment, health, safety and community statement

The Group is committed to providing a safe working environment for all its employees and to responsibly manage all of the environmental interactions of its business. Its objective is to perform and achieve at a level notably in excess of the regulatory minima required by the host countries in which it does business.

The following specific principles are adhered to by the Group:

Health & Safety

• Provision of health and safety training to all employees;

• All necessary measures are taken to minimise workplace injuries, and

• Establishment of management and advisory programmes for the prevention of transmissible diseases.

Environment

The Group prides itself on being a skilled and responsible operator. It functions with the clear mandate of being in full compliance with corporate standards, applicable environmental laws, regulations and permit requirements. It has an internal monitoring programme in place that plays a critical role in continuously improving its environmental performance.

The Group strives to minimise its environmental effects wherever and to:

- Comply with applicable laws, regulations and commitments wherever it operates;
- Ensure it has the necessary resources, procedures, training programmes and responsibilities in place to achieve its environmental objectives;
- Strive to protect air and water quality, minimise consumption of water and energy, and protect natural habitats and biodiversity;
- Promote an ongoing environmental dialogue with its stakeholders in the communities where it conducts business;
- Collaborate with stakeholders to define environmental priorities and to protect the environment, and
- Consider the requirement for environmental protection in all aspects of exploration and development.
-

Communities

As well as recognising the need to protect the natural environment the Group will follow Best Practices in:

- its interactions with local communities,
- respecting customs and cultural practices, and
- minimising intrusion upon lifestyles and traditions.

The Group will not violate human rights and will, wherever possible, favour employment for local people when it recruits. It will strive to be recognised as a socially aware and responsible business

The Directors present their report together with the audited financial statements, for the year ended 29 December 2022.

RESULTS AND DIVIDENDS

The results for the period are set out in the Statement of Comprehensive Income on page 37. The Directors do not recommend the payment of a dividend on the ordinary shares (2021: nil).

DIRECTORS

The names of the Directors who served throughout the period and subsequent to the year end, except where shown otherwise, are as follows:

C Bird
K Thygesen
M A Borrelli (appointed 9 February 2022)
E Kirby (appointed 9 February 2022)
M Churchouse (appointed 31 January 2023)

DIRECTORS' REMUNERATION

The Directors' remuneration is detailed in the Directors' Remuneration Report on pages 19 to 21

DIRECTORS' AND OFFICERS' INDEMNITY INSURANCE

The Group has purchased Directors' and Officers' liability insurance which provides cover against liabilities arising against them in that capacity.

ISSUES OF SHARES, OPTIONS AND WARRANTS

During the period 228,548,010 new ordinary shares were issued a summarized in the table below and Note 17.

Movement in shares issued during the period	**No. of shares**	**Issue Date**
Shares issued from placing on admission	92,857,143	6 May 2022
Shares issued on acquisition on subsidiaries	77,857,142	6 May 2022
Conversion of loans and share subscriptions	27,885,714	6 May 2022
Advisers and director's fees settled by shares	9,721,254	6 May 2022
Shares issued on acquisition of the Norwegian projects	20,226,757	16 August 2022
Total	**228,548,010**	

No options over ordinary shares were issued during the period. Shareholders approved at the AGM on 4 February 2021 a new share option scheme ("**Executive Share Option Scheme**") for its directors, senior management, consultants and employees on the following terms: (i) the number of options to be issued shall not exceed 10% of the issued share capital of the Company from time to time; (ii) the exercise price of the options shall be determined by the remuneration committee of the Board of Directors of the Company based on a) the last fundraising by the Company whilst its shares are not traded on a stock exchange; and b) once the Company's shares are traded on a stock exchange the volume weighted average share price of the Company in the 30 days preceding the issue of the options save that in the 30 days post admission of the Company's shares to trading on a stock exchange ("**Admission**") any options may be issued at the placing price of any fundraising completed at Admission; (iii) the allocation of the options shall be determined by the remuneration committee of the Board of Directors of the Company; (iv) the options should vest in accordance with the terms of the Executive Share Option Scheme; and (v) the options should be exercised within ten years of the date of this resolution. This resolution revokes and replaces all unexercised authorities previously granted to the Company to establish any share option schemes for its directors, senior management, consultants and employees but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

Issue of Warrants in the period.

In accordance with the terms of their appointment as Financial Adviser to the Company for the purposes of the Listing Rules Rulebook Novum Securities Limited were granted the right to subscribe for 1,785,714 new Ordinary Shares at the Fundraisng Price, exercisable at any time between the date of Admission and the third anniversary of the date of Admission ("**Broker Warrants**"). Exercise of such right is not subject to the satisfaction of any performance or other conditions.

In accordance with the terms of their appointment as Joint Broker to the Company for the purposes of the Listing Rules Rulebook, Shard Capital LLC were granted 2,857,142 Broker Warrants. Exercise of such right is not subject to the satisfaction of any performance or other conditions.

In accordance with the terms of the July 2021 Convertible Loan Note, the subscribers have been granted the right to subscribe for 13,333,333 new Ordinary Shares at the Fundraising Price exercisable at any time between the date of Admission and 18 months from the date of Admission ("**Convertible Note Warrants**"). Exercise of such right is not subject to the satisfaction of any performance or other conditions. 1,828,571 of these Convertible Note Warrants have been granted to Colin Bird ,a director of the Company and 1,142,857 of these Convertible Note Warrants have been granted to Kjeld Thygesen, a director of the Company arising from their participation in the July 2021 Convertible Loan Note,

In accordance with the terms of the November 2021 Convertible Loan Note, the subscribers have been granted 4,552,381 Convertible Note Warrants. Exercise of such right is not subject to the satisfaction of any performance or other conditions. 1,409,524 of these Convertible Note Warrants have been granted to Lion Mining Finance Limited (a company controlled by Colin Bird a director of the Company).

In accordance with an agreement dated 15 October 2021 between the Company and Quantum Capital and Consulting Ltd ("**Quantum**"), Quantum have been granted the right to subscribe for 4,375,943 new Ordinary Shares at the at the Fundraising Price, exercisable at any time between the date of Admission and the third anniversary of the date of Admission ("**Consultant Warrants**") . Exercise of such right is not subject to the satisfaction of any performance or other conditions.

In connection with the Fundraising, warrants to subscribe for 92,857,143 new Ordinary Shares were issued at Admission with an exercise price of 6 pence and exercisable within three years of Admission ("**Fundraising Warrants**") of which 1,571,400 Fundraising Warrants were issued to Colin Bird a director of the Company and 1,000,000 Fundraising Warrants to Kjeld Thygesen a director of the Company in accordance with their participation in the Fundraising.

FINANCIAL INSTRUMENTS

An explanation of the Company's financial risk management objectives, policies and strategies is set out in note 20.

COVID-19

The COVID-19 pandemic announced by the World Health Organisation in 2020 initially had a markedly negative impact on global stock markets although many sectors and stock market losses have been recovered there is increased volatility as stock markets react to ongoing news in relation to the short-term and long-term impact of COVID-19 and the financial implications of the economic stimulus packages adopted by most governments to protect and / or support their economies this also, affected currencies and general business activity.

The Company developed a work at home policy when COVID-19 restrictions made this necessary and adopts local procedures for exploration activities to address the health and wellbeing of its directors, consultants and contractors, and their families. As there are no longer COVID-19 restrictions in the United Kingdom and Scandinavia COVID-19 is no longer expected to have an impact on the operations of the company unless there is a new outbreak of COVID-19.

IMPACT OF UKRAINE CONFLICT

The Directors consider as a result of the Ukraine conflict and related sanctions there is no impact on the Company as it has no assets or business activities or suppliers with links in Ukraine or Russia and is not aware of any persons sanctioned in relation to the Ukraine conflict owning shares in the Company. Finland and Sweden have announced their intention to join NATO during the period and post the period end Finland has joined NATO

EVENTS AFTER THE REPORTING DATE

Events after the reporting date have been disclosed in Note 23 to the Financial Statements.

STATEMENT AS TO THE DISCLOSURE OF INFORMATION TO THE AUDITORS

The Directors, who were in office at the date of approval of this report, confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware and that they have taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The Directors are responsible for preparing the financial statements in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority ("DTR") and with International Financial Reporting Standards as adopted by the United Kingdom.

The Directors confirm to the best of their knowledge that:

- the financial statements have been prepared in accordance with the relevant financial reporting framework and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the Company; and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the financial position of the Group and the Company, together with a description of the principal risks and uncertainties that it faces; and
- the annual report and financial statements, taken as a whole, are fair, balanced, and understandable and provide the information necessary for shareholders to assess the Group's position, performance, business model and strategy.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

AUDITORS

Crowe U.K. LLP have expressed their willingness to continue in office as auditors.

A resolution proposing the re-appointment of the auditors Crowe U.K. LLP will be put to shareholders at the Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board.

C Bird
Chairman

28 April 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. 'Under that law the directors have prepared financial statements in accordance with UK adopted International Accounting Standards (IFRSs)'

The financial statements are required by law and IFRSs as adopted by the UK to present fairly the financial position of the Company and the financial performance of the Company. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosure and explained in the financial statements;
- prepare the Strategic Report and Directors' report which comply with the requirements of the Companies Act 2006; and
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Kendrick Resources PLC website www.kendrickresources.com.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Kendrick Resource Plc

Opinion

We have audited the financial statements of Kendrick Resource Plc (the "company") and its subsidiaries (the 'group') for the year ended 29 December 2022 which comprise Group Statement of Comprehensive Income, Group Statement of financial position, Company Statement of financial position, Group statement of cash flows, Company statement of cash flows, Group Statement of changes in equity, Company statement of changes in equity, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the group and company financial statements is applicable law and UK-adopted international accounting standards. .

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the company's affairs as at 29 December 2022 and of the Group's loss for the year then ended;
- the group and company financial statements have been properly prepared in accordance with UK-adopted international accounting standards; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 3 in the financial statements, which details the factors the directors have considered when assessing the going concern position. As detailed in the note, the Group requires funding from time to time to finance its exploration and ongoing administrative activities. Management has successfully raised money in the past, but there can be no guarantee that adequate funds will be available when needed in the future. As stated in note3, these events or conditions, indicate the existence of a material uncertainty that may cast significant doubt on the group and company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group and company's ability to continue to adopt the going concern basis of accounting included:

- obtaining an understanding of directors' going concern evaluation process;
- review of directors' cash flow forecasts for at least twelve months from the date of sign off;
- challenging the key assumptions inherent within the forecast including management's severe but plausible downside scenarios and mitigations plans;
- understanding what forecast expenditure is committed and what could be discretionary;
- considering the options available to the directors for further fundraising, or additional sources of finance; and
- considering the adequacy and appropriateness of the disclosures within the financial statements.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the financial statements as a whole to be £100,000 (2021: £10,000), based on 2% of the Group's total assets. Materiality for the parent company financial statements as a whole was set at £99,000 based on the Company's total assets.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. Performance materiality was set at 70% of materiality for the financial statements as a whole, which equates to £70,000 (2021: £7,000) for the group and £70,000 for the parent.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £5,000 (2021: £300). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

The Group consists of Kendrick Resources Plc itself and the subsidiaries as disclosed in Note 14 to the financial statements. Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level.

Based on this understanding we assessed those aspects of the Group's transactions and balances which were most likely to give rise to a material misstatement and were most susceptible to irregularities including fraud or error. Specifically, we identified what we considered to be key audit matters and planned our audit approach accordingly. We undertook a fully substantive audit with a combination of analytical procedures and substantive testing on significant transactions, balances and disclosures. The accounting records of the Group are maintained in the UK and due to the nature of the Group during the year, there were no operating locations that the audit team considered it necessary to visit.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Together with the matters included under the heading material uncertainty related to Going concern, we identified the below key audit matters:

Key audit matter	How our scope addressed the key audit matter
Group - Impairment of exploration and evaluation assets *Accounting policy, note 3* *Exploration and evaluation assets, note 12* The Group completed the acquisition on Northern X Finland Oy and Northern X Scandinavia AB which resulted in significant addition to investments in exploration and evaluation assets. Both the exploration projects are underway. No revenue has been generated yet. The assessment of carrying value requires management to apply judgement in assessing whether any impairment has occurred.	We obtained an understanding of the design and implementation of systems and controls relevant to impairment assessments of exploration and evaluation assets; We considered the impairment indicators and any facts or circumstances that would suggest impairment was required. We valuated, in comparison to the requirements set out in IFRS 6, management's assessment as to whether the exploration and evaluation assets were impaired. We reviewed the disclosures and presentation within the financial statements to validate that these are accurate and appropriate. We consider the assumptions made by management are reasonable and the disclosure in the financial statements to be appropriate.
Parent - Recoverability of parent company investment in subsidiaries and loans to group undertakings *Investment in subsidiaries, note 14* *Accounting policy, note 3* The carrying amount of the parent company investment in subsidiary and loans to group undertakings	We compared the carrying amount of the parent company's investment and loan to group undertakings, with the relevant subsidiary balance sheet to identify whether its net assets, being an approximation of their minimum recoverable amount, was in excess of its carrying amount. We also looked at other impairment indicators, including comparing the carrying amount of the parent company's investment and loans to group undertakings, with the

Key audit matter	How our scope addressed the key audit matter
represent a significant portion of the company's total assets. Due to both their materiality in the context of the parent company financial statements and the judgemental nature of the valuation of these amounts, these are considered to be the areas that had the greatest effect on our overall parent company audit.	market capitalisation of the Group. We considered management's assessment of impairment of investments, which is ultimately linked to the assessment over the carrying value of the group's exploration and evaluation assets. Based on our work we didn't identify any impairment and consider the carrying amount appropriate.

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 30, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the Group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were relevant company law and taxation legislation in the jurisdictions in which the Group operates.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included:

- enquiries of management about their own identification and assessment of the risks of irregularities;
- risk-based sample testing on the posting of journals; and
- reviewing accounting estimates for existence of management bias.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENDRICK RESOURCES PLC

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

Following the recommendation of the board, we were re-appointed in the AGM on 22 August 2022 to audit the financial statements for the period ending 29 December 2022. Our total uninterrupted period of engagement is 9 years, covering the periods ending 30 June 2014 to 29 December 2022.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group's or the company and we remain independent of the group's and the company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

John Glasby
Senior Statutory Auditor

For and on behalf of
Crowe U.K. LLP
Statutory Auditor
55 Ludgate Hill
London, UK
EC4M 7JW

28 April 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 29 December 2022

	Notes	Year to 29 December 2022 £	Year to 29 December 2021 £
Administrative expenses		(418,294)	(289,255)
Listing costs		(606,575)	-
Realised (loss)/gain on disposal of investments		(10,872)	51,931
Loss in fair value of investment		(5,314)	(86,413)
Operating loss	5	**(1,041,055)**	**(323,737)**
Finance expense		(2,411)	(1,249)
Loss before tax		**(1,043,466)**	**(324,986)**
Taxation	8	-	-
Loss for the period		**(1,043,466)**	**(324,986)**
Other comprehensive income /(loss):			
Foreign currency reserve movement		(3,891)	-
Total comprehensive loss for the year		**(1,047,357)**	**(324,986)**
Basic and diluted loss per share	9	**(0.68) p**	(2.90) p

The notes on page 44 to 70 form part of these financial statements.

All amounts are derived from continuing operations.

GROUP STATEMENT OF FINANCIAL POSITION

As at 29 December 2022

Company No. 02401127

	Notes	29 December 2022 £	29 December 2021 £
Assets			
Non-current assets			
Property, plant and equipment	10	-	2,050
Exploration and evaluation assets	12	3,932,973	-
Investment in Nordic Projects and related transaction costs		-	673,755
		3,932,973	**675,805**
Current assets			
Current asset investment	11	8,174	102,932
Trade and other receivables	15	92,758	89,488
Cash and cash equivalents		1,817,706	16,871
		1,918,638	**209,291**
Total assets		**5,851,611**	**885,096**
Liabilities			
Current liabilities			
Trade and other payables	16	247,673	441,959
EMX Deferred Share Consideration	12	36,265	
Convertible loan notes	19	-	679,500
Total liabilities		**283,938**	**1,121,459**
Net assets/(liabilities)		**5,567,673**	**(236,363)**
Equity			
Share capital	17	22,998,307	22,929,743
Share premium	17	31,810,107	25,027,278
Merger reserve		1,824,000	1,824,000
Accumulated losses		(51,064,741)	(50,017,384)
Total equity		**5,567,673**	**(236,363)**

The financial statements were approved by the Board of Directors and authorised for issue on 28 April 2023 and were signed on its behalf by

C Bird Chairman

COMPANY STATEMENT OF FINANCIAL POSITION

As at 29 December 2022

	Notes	29 December 2022 £	29 December 2021 £
Assets			
Non-current assets			
Property, plant and equipment	10	-	2,050
Exploration and evaluation assets	12	**704,730**	-
Investment in subsidiaries	14	**3,285,999**	-
Investment in Nordic Projects and transaction costs			673,755
		3,990,729	**675,805**
Current assets			
Current asset investment	11	8,174	102,932
Trade and other receivables	15	86,880	89,488
Cash and cash equivalents		1,769,719	16,871
		1,864,773	**209,291**
Total assets		**5,855,502**	**885,096**
Liabilities			
Current liabilities			
Trade and other payables	16	247,673	441,959
EMX Deferred Share Consideration	12	36,265	
Convertible loan notes	19	-	679,500
Total liabilities		**283,938**	**1,121,459**
Net assets/(liabilities)		**5,571,564**	**(236,363)**
Equity			
Share capital	17	22,998,307	22,929,743
Share premium	17	31,810,107	25,027,278
Merger reserve		1,824,000	1,824,000
Accumulated losses		(51,060,850)	(50,017,384)
Total equity		**5,571,564**	**(236,363)**

The loss for the year for the Company was £1,043,466.

The financial statements were approved by the Board of Directors and authorised for issue on 28 April 2022 and were signed on its behalf by

C Bird

Chairman

GROUP STATEMENT OF CASH FLOW

for the year ended 29 December 2022

	Note	Year to 29 December 2022 £	Year to 29 December 2021 £
Cash flows from operating activities			
Loss before tax		**(1,047,357)**	**(324,986)**
Adjustments to reconcile net losses to cash utilised :			
Depreciation of property, plant and equipment	10	2,050	8,620
Listing costs paid in previous year		216,537	-
Loss/(Gain) on disposal of investment shares		10,872	(38,444)
Loss in fair value of investment at reporting date		5,314	86,413
Operating cash outflows before movements in working capital		**(812,584)**	**(268,397)**
Changes in:			
Trade and other receivables		(3,270)	(78,560)
Trade and other payables		(194,286)	276,148
Net cash outflow from operating activities		**(1,010,140)**	**(70,809)**
Investing activities			
Proceeds of sale of Investment shares		78,573	72,439
Exploration & Evaluation assets	12	(648,142)	-
Investment in Nordic Projects and related transaction costs		-	(673,755)
Net cash outflow from investing activities:		**(569,569)**	**(601,316)**
Cash flows from financing activities			
Proceeds from issue of convertible loan notes		-	679,500
Proceeds from issue of shares, net of issue costs		3,380,544	
Net cash inflow from financing activities		**3,380,544**	**679,500**
Net increase in cash and cash equivalents		**1,800,835**	**7,375**
Cash and cash equivalents at beginning of period		16,871	9,496
Cash and cash equivalents at end of period		**1,817,706**	**16,871**

COMPANY STATEMENT OF CASH FLOW

for the year ended 29 December 2022

	Note	Year to 29 December 2022 £	Year to 29 December 2021 £
Cash flows from operating activities			
Loss before tax		**(1,043,466)**	**(324,986)**
Adjustments to reconcile net losses to cash utilised :			
Depreciation of property, plant and equipment	10	2,050	8,620
Listing costs paid in previous year		216,537	-
Loss/(Gain) on disposal of investment shares		10,872	(38,444)
Loss in fair value of investment at reporting date		5,314	86,413
Operating cash outflows before movements in working capital		**(808,693)**	**(268,397)**
Changes in:			
Trade and other receivables		2,609	(78,560)
Trade and other payables		(194,286)	276,148
Net cash outflow from operating activities		**(1,000,370)**	**(70,809)**
Investing activities			
Proceeds of sale of Investment shares		78,573	72,439
Investment in Subsidiaries	14	(632.669)	-
Exploration & Evaluation assets	12	(73,230)	-
Investment in Nordic Projects and related transaction costs		-	(673,755)
Net cash outflow from investing activities:		**(627,326)**	**(601,316)**
Cash flows from financing activities			
Proceeds from issue of convertible loan notes		-	679,500
Proceeds from issue of shares, net of issue costs		3,380,544	-
Net cash inflow from financing activities		**3,380,544**	**679,500**
Net increase in cash and cash equivalents		**1,752,848**	**7,375**
Cash and cash equivalents at beginning of period		16,871	9,496
Cash and cash equivalents at end of period		**1,769,719**	**16,871**

GROUP STATEMENT OF CHANGES IN EQUITY

Year ended 29 December 2022

	Share capital £	Share premium £	Merger reserve £	Accumulated losses £	Total equity £
As at 29 December 2020	**22,929,743**	**25,027,278**	**1,824,000**	**(49,692,398)**	**88,623**
Total comprehensive loss for the year	-	-	-	(324,986)	(324,986)
Other comprehensive income	-	-	-	-	-
As at 29 December 2021	**22,929,743**	**25,027,278**	**1,824,000**	**(50,017,384)**	**(236,363)**
Total comprehensive loss for the year	-	-	-	(1,047,357)	(1,047,357)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year				**(1,047,357)**	**(1,047,357)**
Net proceeds from shares issued	30.773	3,349,771	-	-	3,380,544
Acquisition of subsidiaries	23,357	2,201,643	-	-	2,225,000
Loan notes converted into shares	8,366	671,134	-	-	679,500
Acquisition of Norwegian projects from EMX Scandinavia AB	6,068	560,281	-	-	566,349
As at 29 December 2022	**22,998,307**	**31,810,107**	**1,824,000**	**(51,064,741)**	**5,567,673**

Reserves Description and purpose

Share capital - amount subscribed for share capital at nominal value

Share premium - amounts subscribed for share capital in excess of nominal value

Merger reserve - amount arising from the issue of shares for non-cash consideration

Accumulated losses - cumulative net gains and losses recognised in the consolidated income statement

COMPANY STATEMENT OF CHANGES IN EQUITY

Year ended 29 December 2022

	Share capital £	Share premium £	Merger reserve £	Accumulated losses £	Total equity £
As at 29 December 2020	**22,929,743**	**25,027,278**	**1,824,000**	**(49,692,398)**	**88,623**
Total comprehensive loss for the year	-	-	-	(324,986)	(324,986)
Other comprehensive income	-	-	-	-	-
As at 29 December 2021	**22,929,743**	**25,027,278**	**1,824,000**	**(50,017,384)**	**(236,363)**
Total comprehensive loss for the year	-	-	-	(1,043,466)	(1,043,466)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year				**(1,043,466)**	**(1,043,466)**
Net proceeds from shares issued	30.773	3,349,771	-	-	3,380,544
Acquisition of subsidiaries	23,357	2,201,643	-	-	2,225,000
Loan notes converted into shares	8,366	671,134	-	-	679,500
Acquisition of Norwegian projects from EMX Scandinavia AB	6,068	560,281	-	-	566,349
As at 29 December 2022	**22,998,307**	**31,810,107**	**1,824,000**	**(51,060,850)**	**5,571,564**

Reserves Description and purpose

Share capital - amount subscribed for share capital at nominal value

Share premium - amounts subscribed for share capital in excess of nominal value

Merger reserve - amount arising from the issue of shares for non-cash consideration

Accumulated losses - cumulative net gains and losses recognised in the consolidated income statement

1. GENERAL INFORMATION

Kendrick Resources PLC (the 'Company' or "Kendrick") is incorporated and domiciled in the United Kingdom. The address of the registered office is 7/8 Kendrick Mews, London SW7 3HG.

The Company's period being reported on in these accounts is for the year to 29 December 2022. The comparative period is for the year to 29 December 2021.

2. ADOPTION OF NEW AND REVISED STANDARDS

A number of new standards and amendments to standards and interpretations have been issued but are not yet effective and, in some cases, have not yet been adopted by the UK.

The directors do not expect that the adoption of these standards will have a material impact on the financial statements of the Company in future periods.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation
The financial statements have been prepared in accordance with UK-adopted international accounting standards ('IFRS') and those parts of the Companies Act 2006 applicable to companies reporting under IFRSs.

The principal accounting policies adopted are set out below.

The financial statements are presented in Pounds Sterling ("£").

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Going concern

The operational requirements of the Company comprise maintaining a Head Office in the UK with a Board of one executive Director and three non-executive Directors, and one consultant for, amongst other things, determining and implementing strategy and managing operations.

The company currently has no income and meets its working capital requirements through raising development finance. In common with many businesses engaged in exploration and evaluation activities prior to production and sale of minerals the company will require additional funds and/or funding facilities in order to fully develop its business plan.

Ultimately the viability of the company is dependent on future liquidity in the exploration period and this, in turn, depends on the company's ability to raise funds to provide additional working capital to finance its ongoing activities. Management has successfully raised money in the past, but there is no guarantee that adequate funds will be available when needed in the future.

As at 29 December 2022, the company had net assets of £5.57m and cash and cash equivalents of £1.82 million, which will enable the Company to carry out its planned exploration activities on its newly acquired projects. An operating loss is expected in the year subsequent to the date of these accounts and as a result the Company will need to raise funding to provide additional working capital to finance its ongoing activities.

Based on its current reserves and the Board's assessment that the Company will be able to raise additional funds, as and when required, to meet its working capital and capital expenditure requirements, the Board have concluded that they have a reasonable expectation that the Group can continue in operational existence for the foreseeable future and at least for a period of 12 months from the date of approval of these financial statements.

For these reasons the financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As there can be no guarantee that the required future funding can be raised in the necessary timeframe, a material uncertainty exists that may cast significant doubt on the Company's future ability to continue as a going concern.

This financial report does not include any adjustments relating to the recoverability and classification of recorded assets amounts or liabilities that might be necessary should the entity not continue as a going concern.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any recognised impairment loss.

Depreciation and amortisation is charged so as to write off the cost or valuation of assets, other than land, over their estimated useful lives, using the straight-line method, on the following bases:

Office equiptment and computers

The gain or loss arising on disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration and evaluation assets

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are transferred to development assets and amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Investment in subsidiaries
In the Company's financial statements, investment in subsidiaries are stated at cost and reviewed for impairment if there are any indications that the carrying value may not be recoverable.

Financial instruments
Recognition of financial assets and financial liabilities
Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

De-recognition of financial assets and financial liabilities
The Company derecognises a financial asset only when the contractual rights to cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amount it has to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. The Company derecognises financial liabilities when the Company's obligations are discharged, cancelled or expired.

Loans and receivables
Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost less any provision for impairment.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash with three months or less remaining to maturity and are subject to an insignificant risk of changes in value.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets
The Company assesses on a forward-looking basis the expected credit losses associated with its receivables carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade and other receivables, the Company applies the simplified approach permitted by IFRS 9, resulting in trade and other receivables recognised and carried at amortised cost less an allowance for any uncollectible amounts based on expected credit losses.

Trade and other payables
Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Provisions
Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic resource will result, and that outflow can be reliably measured.

Share-based payments
The Company applies IFRS 2 Share-based Payment for all grants of equity instruments.

The Company issues equity-settled share-based payments to its employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the shares that will eventually vest.

Fair value is measured using the Black Scholes model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The inputs to the model include: the share price at the date of grant, exercise price expected volatility, risk free rate of interest.

Share capital
Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's ordinary shares are classified as equity instruments.

The Company considers its capital to be total equity. There have been no changes in what the Company considers to be capital since the previous period.

The Company is not subject to any externally imposed capital requirements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all entities, which are controlled by the Company. Control is achieved when the Company:

· has the power over the investee;

· is exposed, or has rights to variable return from its involvement with the investee; and

· has the ability to use its power to affects its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The results of subsidiaries are included in the consolidated financial statements from the effective date of acquisition to the effective date of disposal. Adjustments are made when necessary to the financial statements of subsidiaries to bring their accounting policies in line with those of the Group.

All intra-Group transactions, balances, income and expenses are eliminated in full on consolidation.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

· the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

· potential voting rights held by the Company, other vote holders or other parties;

· rights arising from other contractual arrangements; and

· any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the Group's interest therein and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions which result in changes in ownership, where the Group had control of the subsidiary, both before and after the transaction, are regarded as equity transactions and are recognised directly in the statement of changes in equity. The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the parent.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, on in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting estimates and judgments are those that have a significant risk of causing material adjustment and are often applied to matters or outcomes that are inherently uncertain and subject to change. As such, management cautions that future events often vary from forecasts and expectations and that estimates routinely require adjustment.

Details of the Group's significant accounting judgements and critical accounting estimates are as follows:

Impairment of Exploration and evaluation assets

The recoverable amounts of individual exploration assets have been determined based on various factors including Independent Expert Reports, the Company's exploration activities, and commodity prices. It is reasonably possible that the assumption may change which may then impact on estimates and may then require a material adjustment to the carrying value of assets including intangible assets. The Group tests annually whether exploration assets have suffered any impairment, in accordance with the accounting policy.

Recoverability of Parent company investment in subsidiary undertakings

The carrying value of the Parent company's investment is ultimately dependent on the recoverability of the underlying assets i.e. the exploration and evaluation assets which are reviewed for indicators of impairment on an annual basis as noted above. An impairment in the exploration and evaluation assets may then require an adjustment to the carrying value of the investment in the subsidiary companies.

Business Combination

In line with IFRS3, the Directors have assessed whether the Group has acquired assets of a business combination in relation to Northern X Group and the Norwegian Projects and determined that these are not business combinations.

Contingent consideration

Contingent consideration is a financial liability recorded at fair value. The amount of contingent consideration to be paid is based on the occurrence of future events, such as the achievement of expected and estimated project milestones such as a positive feasibility study or a decision to mine. Accordingly, the estimate of fair value contains uncertainties as it involves judgment about the likelihood and timing of achieving these milestones and the period in which they may be achieved as well as the discount rate used. Where a contingent consideration milestone in relation to an exploration project is uncertain and may only occur if at all in several years then the Company will disclose the contingent liability but not provide for it in the financial statements.

Changes in fair value of the contingent consideration obligation result from changes to the assumptions used to estimate the probability of success for each milestone, the anticipated timing of achieving the milestones and the discount period and rate to be applied. A change in any of these assumptions could produce a different fair value, which could have a material impact on the results from operations.

Going Concern

The Director's have considered Going Concern and as per note 3 no adjustment has been made in these financial statements which are prepared on a going concern basis.

5. LOSS FOR THE YEAR

The loss for the period has been arrived at after charging / (crediting):

	2022	2021
	£	£
Depreciation of property, plant and equipment (note 10)	**2,050**	8,620
Staff costs (note 7)	**97,015**	60,000
Loss/(Gain) on sale of investments	**10,872**	(38,444)
Loss in fair value of investment at reporting date	**5,314**	86,413
Listing costs	**606,575**	-
Finance charge	**2,411**	1,249

6. AUDITORS' REMUNERATION

The remuneration of the auditors can be analysed as follows:

	2022	2021
	£	£
Fees payable to the company's auditor for the audit of the company's financial statements	**37,000**	30,000
Fees payable to the company's auditor for other services:		
	37,000	30,000

7. STAFF COSTS

	2022	2021
	Number	Number
Directors	**4**	2
Consultants	**1**	2
The average monthly number of employees	**5**	4
Their aggregate remuneration comprised:-	**£**	£
Fees	**97,015**	60,000
	97,015	60,000

Included within staff costs £97,015 (2021: £60,000) relates to amounts in respect of Directors. The highest paid director's emoluments was £51,000 (2021: £60,000)

8. TAXATION

No liability to corporation tax arose for the year ended 29 December 2022 and year ended 29 December 2021, as a result of underlying losses brought forward.

Reconciliation of effective tax rate:

	2022	2021
	£	£
Loss before tax	**(1,043,466)**	(324,986)
Tax credit at the standard rate of tax in the UK	**198,259**	61,747
Tax effect of non-deductible expenses	**(390)**	(1,638)
Deferred tax not provided	**(197,869)**	(60,109)
Tax for the period	**-**	-

The standard rate of corporation tax in the UK applied during the year was 19% (2021: 19%).

At 29 December 2022, the Company are carrying forward estimated tax losses of £7.3m (2021: £6.3m) in respect of various activities over the years. No deferred tax asset was recognized in respect to these accumulated tax losses as there is insufficient evidence that it is probable that the amount will be recovered in future years.

9. LOSS PER SHARE

	29 December 2022	29 December 2021
(Loss) after tax for the purposes of earnings per share attributable to equity shareholders	**£(1,043,466)**	£(324,986)
Weighted average number of shares	**153,882,205**	11,190,363
Basic and Diluted (loss) per ordinary share	**(0.68) p**	(2.90) p

The use of the weighted average number of shares in issue in the period recognises the variations in the number of shares throughout the period. IAS 33 requires presentation of diluted EPS when a company could be called upon to issue shares that would decrease earnings per share or increase the loss per share. There would be no dilutive impact were the share options to be exercised.

10. PROPERTY PLANT AND EQUIPMENT

	Group and Company	Group and Company
	Office equipment and computer £	Total £
COMPANY		
Cost		
At 29 December 2020	**60,587**	**60,587**
Additions	-	-
At 29 December 2021	**60,587**	**60,587**
Additions	-	-
At 29 December 2022	**60,587**	**60,587**
Accumulated depreciation		
At 29 December 2020	**(49,917)**	**(39,861)**
Charge for the period	(8,620)	(8,620)
At 29 December 2021	**(58,537)**	**(58,537)**
Charge for the period	(2,050)	(2,050)
At 29 December 2022	**(60,587)**	**(60,587)**
Carrying amount		
At 29 December 2022	**-**	**-**
At 29 December 2021	2,050	2,050

11. CURRENT ASSET INVESTMENT

	Group & Company 29 Dec 2022 £	Group & Company 29 Dec 2021 £
Balance as at 29 December 2021	102,932	223,340
Additions	-	13,488
Disposals	(89,445)	(33,996)
Fair value through profit and loss	(5,313)	(99,900)
Balance as at 29 December 2022	8,174	102,932

The investment represents the holding of 8,174,387 shares in Bezant Resources Plc, which were held at 29 December 2022. At the start of the year the Company held 9,221,072 shares in Galileo Resources Plc, but these were disposed during the year.

12. EXPLORATION AND EVALUATION ASSETS

Exploration and Evaluation Assets – Group

	Swedish Project £	Finnish Projects £	Norwegian projects £	Total £
Opening Balance	-	-	-	-
Transfer from Investment in Nordic Projects & Related Transactions Costs *	254,871	82,386	119,961	457,218
Additions in year	184,438	4,355	160,745	349,538
Northern X Group Acquisition (Note 13):				
Share issues	1,357,473	703,990	163,537	2,225,000
Cash consideration	136,739	70,913	16,474	224,126
Acquisition of Norwegian Projects (Note 17):				
Share issues			566,349	566,349
Cash consideration			74,477	74,477
EMX Deferred Share Consideration (note 14)			36,265	36,265
Balance 29 December 2022	1,933,521	861,644	1,137,808	3,932,973

* There were no Exploration and Evaluation assets as at 29 December 2021 which is why there is no comparative table for 2021. In 2021 the capitalised Nordic Projects & Related Transactions costs were GBP673,755. On the acquisition of the Northern X Group GBP457,218 of these costs were transferred to Group Exploration and Evaluation assets and GBP216,537 were included in the GBP606,575 of listing & transactions costs charged in the Income Statement

Exploration and Evaluation Assets - Company

	Norwegian assets £	Total £
Opening Balance	-	-
Transfer from Investment in Nordic Projects	28,886	28,886
Movement in Year	73,230	73,230
EMX Deferred Share Consideration	36,265	36,265
Acquisition of Norway projects	566,349	566,349
Balance 29 December 2022	704,730	704,730

The investment in the Nordic Projects represented the amounts paid in taking up and extending the option to acquire various Scandinavian assets described below together with costs incurred in running the projects prior to the proposed acquisition including the costs associated with the proposed listing.

The Nordic Projects comprise vanadium projects in Sweden and Finland which were acquired from Pursuit and consist of competently and comprehensively well drilled tonnages of vanadium ore, estimated at approximately 160 million tonnes.

Summary of Projects: The projects are a portfolio of early to advanced stage exploration projects covering a combined area of 466.72 km2 in Scandinavia. The most advanced of these Projects are the Airijoki and Koitelainen vanadium projects in Sweden and Finland respectively.

However, the projects acquired include several exploration projects in the Nordic region, namely:
* Finland – the Karhujupukka vanadium-magnetite exploration project
* Sweden – the Kramsta, Kullberget, Simesvallen and Sumåssjön exploration projects in Sweden (collectively known as the Central Sweden Project)

The Karhujupukka project also support defined mineral resources prepared in accordance with the JORC Code (2012.) However, these remain subject to further techno-economic assessment. The remaining projects represent brownfield to greenfields exploration opportunities based on the results of historical activities, some with historical mineral estimates that remain to be updated to the requirements of the JORC Code (2012).

On 13 May 2022 the Company exercised its option to conditionally acquire the Espedalen, Hosanger, and Sigdal nickel-copper-cobalt exploration projects in Norway (the "**Norwegian Projects**") (the "**Norwegian Projects Acquisition**") from EMX Scandinavia AB (previously named Eurasian Minerals Sweden AB) ("EMX") by the issue of 20,226,757 new ordinary shares in the Company to EMX or its nominee, 50% of these shares shall be subject to a three-month voluntary escrow and the balance of 50% subject to a six-month voluntary escrow. Kendrick has also made a payment of US$81,949 to EMX. This payment was to meet a shortfall of this amount in the exploration expenditure to be incurred during the option period.

Deferred Share consideration due to EMX: On or before 27 April 2023, the Company has to issue to EMX or its nominee the number of shares which is the lower of i) 9.9% of the Company's then issued share capital and ii) the number of shares whose value based on the then 5-day VWAP equals 20,000,000 of the shares issued at closing of the acquisition (the "Established Value") divided by the 5 day VWAP at the date of issue of these shares. On 24 April 2023 the Company issued 4,144,395 new Ordinary shares at 0.875 pence each to settle this deferred consideration for £36,265, (the "**EMX Deferred Share Consideration**") . As the liability to pay the EMX Deferred Share Consideration arose during the period a provision of £36,265 was made for this liability with the amount being recognised an exploration and evaluation asset.

The Acquisition was conditional upon the Norwegian Directorate for Mineral Administration approving the transfer of the licences to a wholly owned subsidiary of Kendrick and this process was completed and confirmed on 12 August 2022 and the Company applied for the 20,226,757 new ordinary shares to be admitted to trading on the Standard Segment of the London Stock Exchange on 17 August 2022 (see note15).
The Norwegian Projects comprise:

- The Espedalen Project consisting of 16 contiguous exploration permits covering a combined area of 139.89 km^2 currently contains two nickel deposits
- The Sigdal Project consisting of three exploration licences totalling 30 km^2 containing a geophysical conductor associated with historical mine workings, which has only been tested with two short drill holes, returning gold grades over 10g/t with encouraging nickel and copper mineralisation

The Hosanger Project consisting of a coherent tenure package of four exploration licences covering 40 km^2 and contains the historical Litland nickel mine

Further commitments under Norwegian Projects Acquisition

- beginning on 13 May 2025 and ceasing on the date upon which the Company commissions a Pre-Feasibility Study on any one of the Projects: the Company has committed to one thousand meter drilling for each Project ("**Drilling Commitment**"); and

- upon attainment of each development milestone ((milestone 1) being the completion of an economic assessment of mineral potential and (milestone 2) the completion of a feasibility study), the Company shall pay EMX the sum of USD$500,000. If milestone 1 is not met but milestone 2 is met then an aggregate of USD$1,000,000, will become due ("**Milestone Payments"**)

Royalty Agreement: At the closing of the Norwegian Projects Acquisition the Company entered into a royalty agreement under which a 3% net smelter royalty is payable to EMX on commercial production from any of the three Norwegian Projects ("**Production Royalty**"). A 1% interest in this royalty may be bought back in stages for a total cash consideration of US$1,000,000 on or before the fifth anniversary of the closing of the Acquisition.

No provision has been made in these accounts for the further commitments under the Norwegian Projects Acquisition above in relation to;

a) the Drilling Commitment as the Company's Projects are in the exploration phase and therefore it is in the normal course to on an ongoing basis to review projects and continue work on projects that remain prospective and it can take several years to get to the stage of commissioning a Pre-Feasibility study therefore there is no certainty as to the period over which the Drilling Commitment would have to be met and whether or not it would be met by the Company's ongoing exploration activities on the Norwegian Projects;

b) Milestone Payments as the Norwegian Projects are in the exploration phase and therefore it is not certain that an economic assessment of mineral potential or a feasibility study will be completed in the next few years, or if at all; or

c) Production Royalty as the Norwegian Projects are in the exploration phase and therefore it is not certain that they will become mines producing ore on which a royalty is due in the next several years, or if at all

13. ACQUISITIONS

Acquisition of Northern X Group

On 6 May 2022 the Company completed the acquisition of;

(a) 100% of Northern X Finland Oy ("Northern X Finland"), which owns in Finland the Koitelainen vanadium projects which hosts a defined Mineral Resource as defined by the JORC Code (2012) and the Karhujupukka vanadium-magnetite exploration project ("Finnish Projects"); and

(b) 100% of Northern X Scandinavia AB ("Northern X Scandinavia") which owns in Sweden the Airijoki and vanadium project (the "Airijoki Project") which hosts a defined Mineral Resource as defined by the JORC Code (2012) and the Kramsta, Kullberget, Simesvallen and Sumåssjön exploration projects in Sweden (collectively known as the "Central Sweden Projects") (the Airijoki Project and the Central Sweden Projects are collectively the "Swedish Projects")

Collectively the Northern X Group

The acquisition price was as follows:

Consideration		**£**
Equity consideration Ordinary shares issued		2,225,000
Cash consideration		224,126
Total consideration		**2,449,126**
Fair value of assets acquired		
Exploration assets	2,420,245	
Receivables	5,879	
Cash and cash equivalents	23,002	
		2,449,126
		-

As part of the purchase agreement with Pursuit there will be additional deferred contingent consideration based on two accretive value milestones being achieved;

a) Milestone One which triggers a A$250,000 (approx. £136,000) payment in cash, is the completion by the Company (or any successor or assignee) of a Feasibility Study, as defined by the JORC Code (2012), on any individual project area in the Nordic Projects, demonstrating an internal rate of return of not less than 25%; and

b) Milestone Two which triggers a A$500,000 (approx. £272,000) payment in cash is a decision to mine being made by the Company (or any successor or assignee) in respect of any project area in the Nordic Projects.

No provision has been made in these accounts for the additional deferred contingent consideration referred to above as the Company's Projects are in the exploration phase and therefore it is not certain that a Feasibility Study will be completed or a decision to mine be made in the next few years, or if at all.

Acquisition of Caledonian Minerals AS

On 13 May 2022 to facilitate the smooth transfer of the Norwegian Project Licences to the Company after the exercise of the EMX Option the Company acquired Caledonian Minerals AS for £6,186 a Norwegian company established by EMX as a clean special purpose vehicle on 8 November 2021 which at the date of acquisition had not carried out any business and had no assets or liabilities.

Consideration		**£**
Cash consideration		6,186
Total consideration		**6,186**
Fair value of assets acquired		
Exploration assets	6,186	
		6,186
		-

14. INVESTMENT IN SUBSIDIARIES

	Company Investment in Subsidiaries 29 Dec 2022 £	**Loans to Subsidiaries 29 Dec 2022 £**	**Total Investment in Subsidiaries 29 Dec 2022 £**
Acquisition of Northern X Group	2,449,126		**2,449,126**
Acquisition of Caledonian Minerals AS	6,186		**6,186**
Loans to Northern X Scandinavia AB		497,064	**497,064**
Loans to Northern X Finland OY		86,741	**86,741**
Loans to Caledonian Minerals AS		246,882	**246,882**
	2,455,312	**830,687**	**3,285,999**

Movement in the Year	Company Investment in Subsidiaries 29 Dec 2022 £	Loans to Subsidiaries 29 Dec 2022 £	Total Investment in Subsidiaries 29 Dec 2022 £
Brought forward	-	-	-
Transfer from Investment in Nordic Projects	146,070	282,262	**428,332**
Movement in Year	78,056	554,611	**632,667**
Shares Issued in Year	2,225,000	-	**2,225,000**
Balance 29 December 2022	**2,449,126**	**836,873**	**3,285,999**

There were no subsidiaries as at 29 December 2021 which is why there is no comparative table for 2021. In 2021 the capitalised Nordic Projects & Related Transactions costs were GBP673,755. On the acquisition of the Northern X Group GBP428,332 of these costs were transferred to the Company's investment in and loans to subsidiaries and on the acquisition of the Norwegian Assets GBP28,886 was transferred to the Company's exploration and evaluation asset in relation to the Norwegian projects

To facilitate the smooth transfer of the Project Licences the Company has per note 13 for £6,186 acquired Caledonian Minerals AS a Norwegian company established by EMX as a clean special purpose vehicle on13 May 2022 which at that date had not carried out any business and had no assets of liabilities.

Investments in subsidiaries are recorded at cost, which is the fair value of the consideration paid less impairment.

The Company conducted an impairment review and is satisfied that the carrying value of £3,285,999 is reasonable and no impairment is necessary. (2021- Nil).

Principal Subsidiaries

Name & registered office address	Country of incorporation and residence	Nature of business	Proportion of equity shares held by Company
Northern X Scandinavia AB Hellstrom Advokatbyra KB, Box 7305, 103 90 Stockholm Sweden	Sweden	Base Metals Exploration	100%
Northern X Finland Oy C/o Millar Ab, Storgatan 51, 972 31 Luleå Sweden, Finnish business identity code 2892740-6	Finland	Base Metals Exploration	100%
Caledonian Minerals AS c/o IM Ruud Regnskap AS, Smalgangen 3, 0188 Oslo, Norway	Norway	Base Metals Exploration	100%

15. TRADE AND OTHER RECEIVABLES

	Group 2022 £	**Company 2022 £**	Group & Company 2021 £
Other receivables	**-**	**-**	890
Vat receivable	**76,589**	**76,590**	24,598
Prepayments	**8,290**	**8,290**	-
Other debtors	**7,879**	**2,000**	64,000
	92,758	**86,880**	89,488

The fair value of trade and other receivables is not significantly different from the carrying value and none of the balances are past due.

16. TRADE AND OTHER PAYABLES

	Group & Company 2022 £	Group & Company 2021 £
Trade and other payables	**169,173**	263,299
Amount owed to director	**41,500**	143,750
Accruals	**37,000**	34,910
	247,673	441,959

17. SHARE CAPITAL AND SHARE PREMIUM

	2022		2021	
Issued equity share capital	**Number**	**£**	Number	£
Issued and fully paid				
Ordinary shares of £0.0003 each	**239,738,373**	**71,921**	11,190,363	3,357
Deferred shares of £0.00999 each	**335,710,863**	**3,353,752**	335,710,863	3,353,752
Deferred shares of £0.009 each	**1,346,853,81**	**12,121,684**	1,346,853,817	12,121,684
Deferred shares of £0.01 each	**19,579,925**	**195,799**	19,579,925	195,799
Deferred shares of £0.04 each	**181,378,766**	**7,255,151**	181,378,766	7,255,151
		22,998,307		22,929,743

	29 December 2022		
Group & Company	**Number of Ordinary shares**	**Share capital**	**Share Premium**
		£	**£**
As at 1 January 2022	11,190,363	3,357	25,027,278
Shares issued during the year	228,548,010	68,564	6,992,528
Share issue costs	-	-	(209,699)
As at 29 December 2022	**239,738,373**	**71,921**	**31,810,107**
Movement in shares issued during the period			
Shares issued from placing on admission	92,857,143	27,857	3,222,143
Shares issued on acquisition on subsidiaries	77,857,142	23,357	2,201,643
Conversion of loans and share subscriptions	27,885,714	8,366	671,134
Advisers and director's fees settled by shares	9,721,254	2,916	337,327
Shares issued on acquisition of the Norwegian projects	20,226,757	6,068	560,281
Total	**228,548,010**	**68,564**	**6,992,528**

1) At the Annual General Meeting held on 4 February 2021, shareholders approved that the 335,710,863Existing Ordinary Shares in issue be subdivided each into one new ordinary share of £0.00001 ("**New Ordinary Share**") and one deferred share of £0.00999 ("**2020 Deferred Share)** in the capital of the Company. The New Ordinary Shares carry the same rights as attached to the Existing Ordinary Shares (save for the reduction in their nominal value). The 2020 Deferred Shares have no voting rights and have no rights as to dividends and only very limited rights on a return of capital. They will not be admitted to trading or listed on any stock exchange and will not be freely transferable. The holders of the 2020 Deferred Shares are not entitled to any further right of participation in the assets of the Company. As such, the 2020 Deferred Shares effectively have no value.
2) At the Annual General Meeting held on 25 October 2021, shareholders approved an ordinary resolution that for every thirty (30) issued and unissued ordinary share of £0.00001 each in the share capital of the Company ("**Existing Shares**") be consolidated into one (1) ordinary share of

£0.0003 each ("**New Shares**") such New Shares having the same rights and being subject to the same restrictions, save as to nominal value, as the Existing Shares.

The deferred shares of £0.01 each and £0.009 each confer no rights to vote at a general meeting of the Company or to a dividend. On a winding-up the holders of the deferred shares are only entitled to the paid-up value of the shares after the repayment of the capital paid on the ordinary shares and £5,000,000 on each ordinary share.

The deferred shares of £0.04 each have no rights to vote or to participate in dividends and carry limited rights on return of capital. No shares were issued during the year.

There were no warrants in issue during 2020 at Admission the warrants in the table below over ordinary shares in the issued share capital of the Company were issued and at the period end had not been exercised.

	Number of Warrants	Exercise price (p)	Expiry
Fundraising Warrants	92,857,143	6.0	6 May 2025
Broker Warrants	4,642,856	3.5	6 May 2025
Convertible Note Warrants	17,885,714	3.5	6 Nov 2023
Consultant Warrants	4,375,943	3.5	6 May 2025

18. SHARE OPTIONS

Share Options

The Company's previous share options scheme for directors and consultants ceased on 12 June 2020 and no options were exercised prior to this date.

A new Executive Share Option Scheme for the directors, senior management, consultants and employees was approved at the AGM on 4 February 2021, as outlined in the Directors Report. No options were issued under the Executive Share Option Scheme during the period but there was an issue of options post the period end as disclosed in Note 23

19. CONVERTIBLE LOAN NOTES

On 30 December 2020, the Company executed a £210,000 unsecured convertible loan note instrument and received subscriptions of £210,000 in January 2021 in respect of the December 2020 Convertible Loan Note from private investors. The December 2020 Convertible Loan Note does not pay interest and was repaid at Admission by the issue of 10,000,000 New Ordinary Shares at a 40% discount to the Placing.

19. CONVERTIBLE LOAN NOTES (continued)

On 2 July 2021, the Company executed a £350,000 unsecured convertible loan note instrument (the "July 2021 Convertible Loan Note") and has received subscriptions of £350,000 in respect of the July 2021 Convertible Loan Note from private investors and £30,000 from Kjeld Thygesen and £48,000 from Colin Bird, who are directors of the Company. The July 2021 Convertible Loan Note did not pay interest and was repaid at Admission by the issue of i) 13,333,333 New Ordinary Shares at a 25% discount to the Placing Price of which 1,142,857 was issued to Kjeld Thygesen and 1,828,571 to Colin Bird and ii) one (1) warrant for each New Ordinary Share issued to the noteholders at a strike price of the Placing Price. The 13,333,333 warrants will be valid for a period of 18 months from Admission and 1,142,857 of the warrants will be issued to Kjeld Thygesen and 1,828,571 to Colin Bird.

On 15 November 2021, the Company executed a £150,000 unsecured convertible loan note instrument which was, with the consent of the noteholder, subsequently increased to £150,000 (the "November 2021 Convertible Loan Note") and has received subscriptions of £119,500 in respect of the November 2021 Convertible Loan Note from private investors including £37,000 from Lion Mining Finance Ltd, a company controlled by Colin Bird, a director of the Company. The November 2021 Convertible Loan Note did not pay interest and was repaid at Admission by the issue of i) 4,552,381 New Ordinary Shares at a 25% discount to the Placing Price of which 1,409,524 was issued to Lion Mining Finance Ltd and ii) one (1) warrant for each New Ordinary Share issued to the noteholders at a strike price of the Placing Price. The 4,552,381 warrants will be valid for a period of 18 months from Admission and 1,409,524 of the warrants will be issued to Lion Mining Finance Ltd.

Before conversion the Convertible loan notes as detailed in the three previous paragraphs they were treated as liability as it closely resembles the characteristics of a financial liability.

20. FINANCIAL INSTRUMENTS

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern, while maximising the return to shareholders.

The capital resources of the Company comprises issued capital, reserves and retained earnings as disclosed in the Statement of Changes in Equity. The Company's primary objective is to provide a return to its equity shareholders through capital growth. Going forward the Company will seek

to maintain a yearly ratio that balances risks and returns of an acceptable level and also to maintain a sufficient funding base to the Company to meet its working capital and strategic investment needs.

20. FINANCIAL INSTRUMENTS (continued)

Categories of financial instruments

	2022	2021
	£	£
Financial assets		
Current asset investment	**8,174**	102,932
Cash and cash equivalents	**1,817,706**	16,871
Other receivables	**92,758**	89,488
	1,918,638	209,291
Financial liabilities classified as held at amortised cost		
Trade and other payables	**169,173**	263,299
Convertible loan notes	**-**	679,500
	169,173	942,799

Fair value of financial assets and liabilities
Fair value is the amount at which a financial instrument could be exchanged in an arm's length transaction between informed and willing parties, other than a forced or liquidation sale and excludes accrued interest. Where available, market values have been used to determine fair values.

Fair value hierarchy
The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments which are measured at fair value by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;
Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Management assessed that the fair values of current asset investment, cash and short-term deposits, other receivables, trade and other payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Financial risk management objectives
Management provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risks reports which analyse exposures by degree and magnitude of risks. These risks include foreign currency risk, credit risk, liquidity risk and cash f low interest rate risk. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

20. FINANCIAL INSTRUMENTS (continued)

As the Company has no committed borrowings, the Company is not exposed to any risks associated with fluctuations in interest rates on loans. Fluctuation in interest rates applied to cash balances held at the balance sheet date would have minimal impact on the Company.

Foreign exchange risk and foreign currency risk management
Foreign currency exposures are monitored on a monthly basis. Funds are transferred between the Sterling and US Dollar accounts in order to minimise foreign exchange risk. The Company holds the majority of its funds in Sterling.

The carrying amounts of the Company's foreign currency denominated financial assets and monetary liabilities at the reporting date are as follows:

	Financial liabilities		Financial assets	
	2022	2021	**2022**	2021
	£	£	**£**	£
US Dollars	**-**	-	**389**	167
Swedish Krona	133,836	118,342	**-**	-
Euros	4,617	1,387	**-**	-
Australian Dollars	-	1,846	**-**	-

Credit risk management
Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company does not have any significant credit risk exposure on trade receivables. The Company makes allowances for impairment of receivables where there is an identified event which, based on previous experience, is evidence of a reduction in the recoverability of cash flows.

The credit risk on liquid funds (cash) is considered to be limited because the counterparties are financial institutions with high credit ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk.

Liquidity risk management
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Management monitor forecasts of the Company's liquidity reserve, comprising cash and cash equivalent, on the basis of expected cash flow. At 29 December 2022, the Group held cash and cash equivalent of £1,817,706 (2021: £16,871) and the directors assess the liquidity risk as part of their going concern assessment (see note 3).

The maturity of the Company's financial liabilities at the statement of financial position date, based on the contracted undiscounted payments as disclosed in note 14, falls within one year and payable on demand.

The Company aim to maintain appropriate cash balances in order to meet its liabilities as they fall due.

20. FINANCIAL INSTRUMENTS (continued)

Maturity analysis

Company **2022**	Total £	On demand £	In 1 month £	Between 1 and 6 months £	Between 6 and 12 months £	Between 1 and 3 years £
Trade and other payables	**247,673**	-	125,836	121,827	-	-

Company **2021**	Total £	On demand £	In 1 month £	Between 1 and 6 months £	Between 6 and 12 months £	Between 1 and 3 years £
Trade and other payables	441,959	-	219,669	222,290	-	-
Convertible loan notes	679,500	-	-	679,500	-	-

21. RELATED PARTY TRANSACTIONS

Remuneration of key management personnel
The key management personnel of the Company are considered to be the Directors. Details of their remuneration are covered in note 7.

The shareholdings of the Directors in the issued share capital of the Company was as follows:

	29 December 2022		29 December 2021	
Director	Number of Ordinary Shares	Percentage of issued ordinary share capital	Number of Ordinary Shares	Percentage of issued ordinary share capital
Colin Bird*	45,069,227	18.80%	16,875	0.15%
Kjeld Thygesen	2,142,857	0.89%	-	-
Alex Borrelli	82,777	0.03%	82,777	0.74%
Evan Kirby	-	-	-	-
Martyn Churchouse	-	-	-	-

* Includes 3,695,238 shares held by Lion Mining Finance Ltd and 33,428,571 shares held by Camden Park Trading Ltd, companies controlled by Colin Bird

21. RELATED PARTY TRANSACTIONS (continued)

1. Issue of shares at the IPO as disclosed in the Prospectus

(a) On 20 January 2021, the Company was assigned the Binding Sales Agreement by Lion Mining Finance Ltd and Camden Park Trading FZE-LLC, companies controlled by Colin Bird, (the "**Assignment Agreemen**t"). The Assignment Agreement was conditional on the completion of the Binding Sales Agreement and at the IPO the consideration due under the Assignment Agreement was £802,000 of which £52,000 is to be settled in cash and £750,000 was settled by the issue of 35,714,285 Ordinary Shares in the Company at an issue price of 2.1 pence per Ordinary Share (2,285,714 Ordinary Shares to Lion Mining Finance Ltd and 33,428,571 Ordinary Shares to Camden Park Trading FZE-LLC).

(b) Colin Bird pursuant to the Fundraising at the IPO subscribed for 1,571,400 Ordinary Shares at the Placing Price and was also issued at the 1,571,400 Placing Warrants.

(c) Colin Bird was at the IPO issued 4,528,571 Ordinary Shares at the Placing Price to settle £158,500 of accrued unpaid fees.

(d) Colin Bird was at the IPO issued 1,828,571 Ordinary Shares and 1,828,571 Convertible Note Warrants arising from his participation in the July 2021 Convertible Loan Note.

(e) Kjeld Thygesen pursuant to the Fundraising at the IPO subscribed for 1,000,000 Ordinary Shares at the Placing Price and was issued 1,000,000 Placing Warrants.

(f) Kjeld Thygesen was at the IPO issued 1,142,857 Ordinary Shares and 1,142,857 Convertible Note Warrants arising from his participation in the July 2021 Convertible Loan Note.

(g) Lion Mining Finance Limited (a company controlled by Colin Bird) at the IPO was issued 1,409,524 Ordinary Shares and 1,409,524 Convertible Note Warrants arising from its participation in the November 2021 Convertible Loan Note

No warrants were issued to Directors in 2021, at Admission the warrants in the table below over ordinary shares in the issued share capital of the Company were issued to directors and at the period end had not been exercised:

Director	Number of Warrants	Exercise price (p)	Expiry
Colin Bird			
Fundraising Warrants	1,571,400		
Convertible Note Warrants *	3,238,095	3.5	6 Nov 2023
Kjeld Thygesen			-
Fundraising Warrants	1,000,000		
Convertible Note Warrants	1,142,857	3.5 pence	6 Nov 2023
Alex Borrelli	-	-	-
Evan Kirby	-	-	-
Martyn Churchouse	-	-	-

* Includes 1,409,524 Convertible Note Warrants issued to Lion Mining Finance Limited a company controlled by Colin Bird

21. RELATED PARTY TRANSACTIONS (continued)

Included in the £350,000 in respect of the July 2021 Convertible Loan Notes subscriptions received was £30,000 from Kjeld Thygesen and £48,000 from Colin Bird, both directors of the Company. Included in the £150,000 in respect of the November 2021 Convertible Loan Notes subscriptions received was £37,000 from Lion Mining Finance Limited, a company controlled by Colin Bird, a director of the Company. These subscriptions by Colin Bird, Kjeld Thygesen and Lion Mining Finance Limited were on the same terms as the other subscribers to these convertible loan notes which are detailed in Note 17.

Colin Bird was non-executive chairman of Jubilee Metals Group Plc (he resigned on 26 May 2022) which at Admission had an interest of 1.48% in the Company. There were no transactions with Jubilee during the year.

The Company entered into a licence agreement dated 1 February 2022 with Lion Mining Finance Limited (a company controlled by Colin Bird, a director of the Company). Pursuant to this agreement, the Company has been granted a licence to use the premises at 7-8 Kendrick Mews, London SW7 for a period of 12 months with effect from 1 December 2021 for a licence fee of £1,500 per month. In addition, Lion Mining Finance Limited provides basic administrative and support services as required by the Company from time-to-time.

Directors' Letters of Appointment and Service Agreements as disclosed in the Prospectus.

(a) Pursuant to an agreement dated 29 April 2022 the Company renewed the appointment of Colin Bird as a Director. The appointment continues unless terminated by either party giving to the other three months' notice in writing. Colin Bird is entitled to director's fees of £18,000 per annum for being a director of the Company plus reasonable and properly documented expenses incurred during the performance of his duties. Colin Bird is not entitled to any pension, medical or similar employee benefits. The agreement replaces all previous agreements with Colin Bird in relation to his appointment as a director of the Company.

(b) Pursuant to a consultancy agreement dated 29 April 2022, the Company has, with effect from the date of the IPO, appointed Colin Bird as a consultant to provide technical advisory services in relation to its current and future projects including, but not limited to, assessing existing geological data and studies, existing mine development studies and developing exploration programs and defining the framework of future geological and mine study reports (the "Colin Bird Services"). The appointment continues unless terminated by either party giving to the other three months' notice in writing. Colin Bird is entitled to fees of £2,500 per month for being a consultant to the Company plus reasonable and properly documents expenses incurred during the performance of the Colin Bird Services.

(c) Pursuant to an agreement dated 29 April 2022, renewed the appointment of Kjeld Thygesen as a non-executive Director. The appointment continues unless terminated by either party giving to the other three months' notice in writing. Kjeld Thygesen is entitled to director's fees of £18,000 per annum for being a director of the Company plus reasonable and properly documented expenses incurred during the performance of his duties. Kjeld Thygesen is not entitled to any pension, medical or similar employee benefits.

21. RELATED PARTY TRANSACTIONS (continued)

(d) Pursuant to an agreement dated 29 April 2022, Alex Borrelli was appointed as a nonexecutive Director. The appointment continues unless terminated by either party giving to the other three months' notice in writing. Alex Borrelli is entitled to director's fees of £18,000 per annum for being a director of the Company plus reasonable and properly documented expenses incurred during the performance of his duties. Alex Borrelli is not entitled to any pension, medical or similar employee benefits.

(e) Pursuant to an agreement dated 29 April 2022, Evan Kirby was appointed as a non-executive Director. The appointment continues unless terminated by either party giving to the other three months' notice in writing. Evan Kirby is entitled to director's fees of £18,000 per annum for being a director of the Company plus reasonable and properly documented expenses incurred during the performance of his duties. Evan Kirby is not entitled to any pension, medical or similar employee benefits.

Loans to Subsidiaries

	2022	**2021**
Loans to Northern X Scandinavia AB	497,064	-
Loans to Northern X Finland OY	86,741	-
Loans to Caledonian Minerals AS	253,068	-
	836,873	-

All intra-group loans are interest-free and form part of the Company's investment in subsidiaries

22. NET DEBT

	Group 2022 £	**Company** 2022 £	Group & Company 2021 £
Cash and cash equivalent	1,817,706	1,769,719	16,871
Net debt	1,817,706	1,769,719	16,871
Net debt as at 29 December	16,871	16,871	9,496
Cash flow from operations	(620,102)	(610,332)	(70,809)
Proceeds from issue of shares, net of costs	3,340,318	3,340,318	-
Proceeds from convertible loan notes	-	-	679,500
Investment in Exploration and evaluation costs	(997,953)	(1,055,710)	(673,755)
Cash flow from sale of Investment shares	78,572	78,572	72,439
Net debt	1,817,706	1,769,719	16,871

Net debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the statement of financial position) less cash and cash equivalents.

23. EVENTS AFTER THE REPORTING DATE

On 2 February 2023 the Company announced that in aggregate, 22,550,000 options over ordinary shares of £0.0003 par value in the capital of the Company ("Ordinary Shares") have been granted fully vested pursuant to the Executive Share Option Scheme (the "Options"). Of the 22,550,000 Options, 13,750,000 have been awarded to directors of the Company, as detailed further below and the balance of 8,800,000 to other eligible participants. The Company has not previously issued any Options.

Directors	No. of Options
Colin Bird Executive Chairman	6,000,000
Martyn Churchouse	5,000,000
Alex Borrelli	1,000,000
Evan Kirby	1,000,000
Kjeld Thygesen	750,000
Total Directors	13,750,000

On 24 April 2023 the Company announced it had issued 4,144,395 new ordinary shares to settle the share consideration due to be issued on or before 27 April 2023 in relation to the Company's acquisition of the Espedalen, Hosanger, and Sigdal nickel-copper-cobalt exploration projects in Norway from EMX Scandinavia AB. 50% of these shares are subject to a three-month voluntary escrow and the balance of 50% subject to a six-month voluntary escrow. 3,683,906 of the new ordinary shares will be issued to EMX Scandinavia AB which will increase the combined shareholding of EMX Scandinavia AB and EMX Royalty Corporation to 21,663,284 shares representing 8.9% of the enlarged share capital on the Company.